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PUBLISHED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



## CHANGES IN THE JOURNAL

With this first issue of 1942, the *Commercial Intelligence Journal* appears without the glossy, illustrated cover it has worn for the last six years and reverts to a form similar to that of the years before 1936. This change has been made as a small measure of wartime economy and also as in keeping with the present reduced size of this publication.

Since the early summer of 1940, the volume of material normally available for publication in the *Commercial Intelligence Journal*—the bulk of which has consisted of reports from Canadian Trade Commissioners abroad—has declined severely. This decline has been due not only to enemy occupation of countries that formerly were important sources of commercial news, but also to progressive restrictions upon the release of detailed trade statistics and steadily widening regulation and control of trade in Empire countries. To-day, the countries of the Western Hemisphere, excluding those under the British flag, are almost the only ones remaining in which trade figures may be freely published. To a minor degree, this decline in volume of material from abroad has been offset by the publication of information relating to regulations for the control of exports from Canada and about other measures bearing upon the Dominion's war effort as they affect trade.

Every effort will be made in the difficult days ahead to present in the *Commercial Intelligence Journal* careful statements on regulations relating to exports from Canada in a form useful for record purposes, and to continue to provide as much information as available on trade, controlled or otherwise, in the countries still open to British and Allied shipping. While war requirements may make it difficult or impossible for many Canadian exporters and manufacturers to use current information about overseas markets, it is believed that it will be of value to them for the future to be kept informed so far as possible about conditions and changes in these markets. In pursuing these aims, it is felt that the *Commercial Intelligence Journal*, even in its reduced form, will be able to render useful and, in some respects, essential service.

## TRADE THROUGH LOURENCO MARQUES

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, October 17, 1941.—Lourenco Marques, besides being the capital of Mozambique, is the chief seaport of this Portuguese East African possession. It is also rightly regarded as one of the leading towns in the southern portion of Africa and an increasingly important centre for distribution to the rich hinterland. The Colony of Mozambique, more commonly known to English-speaking people as Portuguese East Africa, is the most important of Portugal's overseas possessions. It is situated on the east coast of southern Africa, extending from Natal in the south to Rhodesia and Tanganyika in the north, a distance of some 1,500 miles. Its area is about 298,000 square miles. The colony was first discovered by Vasco da Gama in 1498, and the town of Lourenco Marques was established about 1508.

### COMMERCIAL IMPORTANCE

Despite the extensive natural riches of the colony and the territory immediately surrounding Lourenco Marques, it is only within comparatively recent years that the town and harbour have been developed to their present importance. Lying within 50 miles of the Transvaal and by rail only 373 miles from the great mining and industrial centre of Johannesburg, the value of Lourenco



Marques as a port of arrival for goods destined for the gold-mining area of the Witwatersrand became apparent only quite recently. Lourenco Marques provides perhaps the quickest and certainly the shortest rail route to Johannesburg. This constantly growing commercial connection with the Rand has been fully recognized and fostered by the Mozambique authorities, with the result that the town and harbour have now attained an important position in the economy of the Transvaal. This development has been aided and encouraged by the authorities in both countries. At the present time, as a result of an agreement between Mozambique and Union of South Africa authorities, the latter ensure that a minimum of 40 per cent of the Witwatersrand's overseas imports enters the country through the Port of Lourenco Marques.

#### HARBOUR FACILITIES

In keeping with this developing trade, Lourenco Marques has installed and is constantly improving harbour facilities. The whole development of the port in recent years has been concentrated on meeting the demands of the Transvaal goldfields and the increasing population of that area. At present the port has excellent facilities for the speedy handling of all types of cargo. These comprise accommodation for some twelve ocean-going steamers and four coasters simultaneously, and the wharfage, some 1,800 yards in length, has a capacity for over 4,000,000 tons of cargo incoming and outgoing. The port is well equipped with electric and other cranes, and there are eleven large sheds served directly by railway connections. Modern coaling, cold storage and pre-cooling equipment is also available, while there are arrangements for the storage in bond of merchandise destined for the Union of South Africa. The revenue of the port in 1940 totalled nearly £350,000.

The volume of trade in 1940 was large. Arrivals of ocean-going vessels only during the year totalled 988 with a tonnage of 4,439,664. The cargo loaded and unloaded in the period amounted to 674,986 tons.

The bulk of the imports arriving at the port of Lourenco Marques is in transit to the Transvaal, and its passage is facilitated in every possible way. A Union of South Africa customs officer is stationed at the port to collect duties, and a substantial volume of goods is loaded directly on railway trucks alongside the steamer.

In normal times a number of steamship services call regularly at Lourenco Marques. Even under present war conditions, services from Canada and the United States make it a regular port of call en route to Beira and Mombasa.

#### POPULATION

Lourenco Marques itself is but a small town, having a total population of about 50,000, of which approximately half are natives. The town nevertheless is a modern one with fine public buildings. The progressive colonial development policy of the Portuguese and the local governments has aided greatly in the advancement of Lourenco Marques to the position of an important trading centre; besides being an important port of entry to the Witwatersrand, it is the distributing centre for all the government-administered area of Mozambique Colony. In June, 1942, when the districts of Manica and Sofala in Northern Mozambique, which are now administered by the Mozambique Company, are again returned to the Colony, the importance of Lourenco Marques as capital of the whole will greatly increase.

The colony has a population of over 5,000,000 natives and a non-native population of some 55,000. The natural resources are extensive, agriculture in particular having great potentialities. At present the principal exports from the colony include sugar, raw cotton, mangrove bark, beans, fruit, oil seeds, and sisal.

## BUSINESS CONDITIONS IN CHICAGO AND DISTRICT

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, December 23, 1941.—The Federal Reserve Bank of Chicago, reporting for the Seventh Federal Reserve District (which is comprised of Michigan, Indiana, Illinois, Iowa and Wisconsin), stated for December that the tempo of industrial production quickened in November, although the pressure against further expansion increased as plant capacities were reached, shortages of critical materials became acute, and "priorities unemployment" increased in non-defence industries. The dollar volume of trade continued upward, accompanied by a larger volume of factory payrolls and augmented farm income.

While some lines of industry moved forward, others were curtailed because certain plants had not been tied into the defence program or were unable to secure needed materials in time to avoid shutdowns. Six cities were certified by the Office of Production Management for relief from unemployment caused by priorities and limitation programs. In order to relieve this situation, the Army and Navy placed orders in those areas totalling upwards of \$23,000,000.

Those industries which are directly concerned with the defence effort not only forged ahead, but also made greater advances than were recorded by the country as a whole. Steel and coal fell within this category.

### PRODUCTION

While production of steel ingots for the nation was at or near 99 per cent of capacity, schedules for the Chicago area were held above theoretical capacity for three weeks of the month. During the week of November 8, the rate was 101; for November 15, it was 102; for November 22, it moved back to 101; and for November 29, it declined to 99·5.

Coal receipts at commercial docks of Lake Superior and Lake Michigan had been abnormally low the first seven months of the year—36 per cent lower than in the same months of 1940—but increased sharply after July, and by the end of October were only four per cent less than in the first ten months of 1940.

With the exception of the short Thanksgiving week, automobile production each week in November exceeded the output for the corresponding weeks of October, ranging from a low of 77,000 units to a high of 94,000.

Production of crude oil in Illinois, Indiana, and Michigan declined slightly compared with October. The daily run of crude oil to stills was approximately one per cent higher in October than in September, but during the first three weeks of November turned downward by as much as three per cent. Gasoline production likewise increased about one per cent in October and then fell off appreciably in November; the drop was six per cent. Both the run of oil to stills and gasoline production were heavier than a year ago. Stocks were also generally higher.

### CONSTRUCTION

Notwithstanding any effects of the Government order restricting new construction projects using critical materials to those deemed essential for defence purposes or the public health and safety, the total volume of construction awards during the first half of November was 25 per cent larger than for the first half of October. The greater volume of contracts awarded during October, however, fell within the second half of the month. Consequently, on a daily average basis, the volume for the first half of November was only approximately the same as that for October.

### EMPLOYMENT

The October loss in employment affected a large number of industries, but was of minor proportions in all but the food products group. Wage payments



increased in all of the durable goods groups, and in non-durable lines, with the exception of food, leather, and rubber products. Among non-manufacturing industries, there was an expansion in merchandising and coal mining as is usual at this season. Public utilities registered little change and the construction group showed a definite decrease. The October level of employment in manufacturing industries was 23 per cent and wage payments 31 per cent higher than a year ago.

#### DEPARTMENT STORE TRADE

Department store trade has been at a very high level throughout 1941. Consumer spending has increased as income payments have advanced under the stimulus of the defence program. In the third quarter of 1941, there was heavy forward buying by consumers in anticipation of shortages and higher prices of many consumers' goods, higher taxes on many products, and instalment credit control. Higher retail prices, as well as increased physical volume of sales, have contributed to the increase in the dollar volume of department store sales.

Department store sales in the first ten months of 1941 were 17 per cent greater than in the same period in 1940, and 22 per cent greater than in the corresponding months of 1939. Sales in each month since March, 1939, have shown a gain over the corresponding month of the previous year and in July, August, and September of this year were respectively 24, 29, and 25 per cent greater than in the same months of 1940. Sales in October were 12 per cent above sales in October, 1940, and preliminary figures indicate that November sales were also 12 per cent above a year ago.

Indications are that the dollar volume of department store sales in 1941 will be somewhat less than the record dollar sales in 1929. Retail prices are below 1929, however, and the physical volume of sales in 1941 may be somewhat larger than in 1929.

#### INCOMES AT RECORD LEVEL

The large and rapid increase in income payments engendered by the defence program has been foremost among the factors which have caused the high level of department store sales in 1941. In October income payments in the United States reached an annual rate close to \$95,000,000,000. This level compares with \$82,400,000,000 in the year 1929, and an annual rate of \$74,000,000,000 in June, 1940, when the defence program was inaugurated. Over four-fifths of the increase in total income payments in the first nine months of 1941 over the same period in 1940 has taken the form of increased salaries and wages.

Increased numbers of persons employed, a rise in the average number of hours worked, overtime pay at premium rates, and wage-rate increases have increased payrolls. Manufacturing payrolls this October were 30 per cent greater than in October, 1940, and 53 per cent greater than in June, 1940. Higher prices for farm products have increased cash receipts of farmers. Cash income from farm marketings and government payments for the states of Illinois, Indiana, Iowa, Michigan, and Wisconsin in the first nine months of 1941 was 24 per cent greater than in the first nine months of 1940.

#### ANTICIPATORY BUYING

Expectations by consumers of higher excise taxes, limitations on instalment purchases, higher prices, shortages of certain goods, and possible quality deterioration were instrumental in causing department store sales and retail sales as a whole to rise to very high levels in August and September. This was true in the nation generally.

In August fear of a silk shortage spread and women rushed to buy silk hose. As a result, hosiery sales last August were 95 per cent greater than in August, 1940.

Demand for consumers' durable goods has been especially heavy in 1941. District department store sales of major household appliances, including electric supplies, were 99 per cent greater in August than in the same month last year. Sales of musical instruments and radios rose 56 per cent, and sales of furniture increased 44 per cent. Heavy August sales in the departments in which merchandise is sold on instalment were due to some extent to a desire to buy before control became effective September 1. As a rule, however, instalment credit terms of department stores have not been beyond limitations of the regulations.

Heavy purchasing of certain articles before the retail excise taxes became effective October 1 increased September department store sales. Consumers bought heavily, not only of those articles, such as furs, jewellery, and cosmetics, which were subject to the excise taxes, but also of other goods. Department stores sales of furs in September were 74 per cent above those of September, 1940. Silverware sales were 55 per cent greater and sales of jewellery and toilet articles rose 50 per cent.

As a consequence of anticipatory buying in August and September, sales of furs in October were 70 per cent less than in October, 1940. Silverware sales declined 9 per cent. Sales of toilet articles, jewellery, and major household appliances showed only slight gains. Hosiery sales in September were 12 per cent less and in October 5 per cent less than in the corresponding month a year ago.

#### RETAIL PRICES

During the past year, and especially in recent months, there has been a substantial rise in retail prices. This rise has reflected higher wholesale prices and the increase in consumer income relative to supplies of goods available for purchase.

The Fairchild composite index of retail prices stood on November 1 at a level which was 7 per cent greater than on August 1, 12 per cent greater than on March 1, and 14 per cent greater than on June 1 last year.

#### RISE IN STOCKS AND ORDERS

Stocks on hand and outstanding orders of department stores are at high levels. The larger volume of sales and also the anticipation of rising prices and fear of shortages of certain merchandise have caused department stores to increase their stocks and orders. Moreover, the larger dollar value of stocks and orders reflects higher prices, as well as increased physical volume of goods on hand and ordered.

Department store inventories have been expanding steadily since the beginning of the year. At the end of October the dollar value of department store stocks was 32 per cent greater than on the corresponding date in 1940. The dollar value of stocks on hand at the end of October was 14 per cent greater than at the end of September. This gain is much larger than the usual seasonal increase.

Outstanding orders rose sharply in the summer of 1941, but declined in September and October. Nevertheless, the dollar value of outstanding orders at the end of October was 82 per cent above that of a year ago.

#### COST OF LIVING

Since March of this year there has been a sharp increase in living costs. On the basis 1935-39 equal 100, the cost of living index stood at 98.9 in June, 1939, rose to 101.4 in June, 1940, to 101.5 in March, 1941, and to 110.2 in October, 1941, or an increase of 11.4 per cent.



## LIME, LIMESTONE AND TALC IN THE UNITED STATES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, November 27, 1941.—Production of limestone in the United States exceeds that of any other rock, and the United States has long ranked first in the world's production of talc and soapstone, providing one-third of the world's output. While lime and talc supplies are centred mainly in the Eastern States, the West Coast is also fairly self-sufficient in lime and talc deposits, supplementary requirements being obtained from adjacent areas. Limestone and its calcinated product, lime, are assuming a place of importance in the national defence emergency, and because of their low cost they are likely to replace other materials wherever substitution is possible.

The following notes on these industries have been prepared with the aid of various reports of the Bureau of Mines, Washington, D.C. While they deal with the United States generally, an attempt has been made to highlight the situation in the Western States as a guide to Canadian exporters who have asked this office for information with respect to market conditions in this area.

### LIME

#### PRODUCTION

The total production of lime in the United States in 1940 reached a new peak of 4,886,929 tons (of 2,000 pounds) valued at \$33,956,385, exceeding the 1939 figure by 14·9 per cent. The previous record was 4,580,823 tons in 1925. Of the 1940 output, 3,501,104 tons represented quicklime and 1,385,825 tons hydrated lime as compared with 1939 production of 2,936,295 tons and 1,318,058 tons respectively.

Ohio, Pennsylvania, Missouri and West Virginia, the principal producing states, were responsible for 61 per cent of the 1940 production, of which Ohio alone contributed 26 per cent. West Coast producing states, in order of importance, were California, Arizona, Washington, Utah and Montana, which together produced 6 per cent of the national output. A total of 314 plants were in operation in the United States during 1940, and 46 of these are located in the following West Coast and Mountain States: Arizona, 4 plants; California, 12; Colorado, 5; Idaho, 2; Montana, 4; Nevada, 2; New Mexico, 2; Oregon, 1; Utah, 8; Washington, 6.

Bituminous coal is the fuel most widely used in the lime industry, owing to its being available in many localities at relatively low prices and also to its adaptability to use in the general types of kilns—pot, shaft, and rotary. However, in the South Central States natural gas is the dominant fuel, wood being used in the Northwestern States and fuel oil in California.

#### IMPORTS

Importations of lime into the United States in 1940 amounted to 9,205 tons valued at \$81,000, of which Canada supplied 99·7 per cent, 4,641 tons going to the State of Washington, 3,865 tons to San Francisco and 529 tons to Los Angeles. In 1939 imports totalled 7,694 tons, of which Canada supplied 7,324 tons and Belgium 272 tons, Washington and San Francisco being the destinations.

Owing to the increase in the production of magnesian refractories in the United States, imports of dead-burned dolomite from Canada and other sources have ceased.

## EXPORTS

Exports of lime established a new record in 1940 of 31,912 tons valued at \$311,619. The previous record was reached in 1913, when 29,475 tons valued at \$212,345 were exported. An increase in exports to Latin American countries was recorded, whereas exports to Canada showed a marked decline. Exports in 1939 totalled 21,477 tons valued at \$236,497.

The principal countries of destination in 1940 and the exports to each (1939 figures in parentheses) were: Honduras, 9,460 tons (3,146 tons); Guatemala, 6,272 (2,434); Canada, 4,843 (8,714); Costa Rica, 3,510 (1,000); Panama, 1,811 (278); Colombia, 1,433 (281); and Mexico, 1,133 tons (1,374 tons). The main exporting states in 1939 were Michigan, Maryland, and New York. California and Arizona were the largest West Coast exporters.

## CONSUMPTION

The largest proportion of lime produced in the United States is consumed in the chemical and metallurgical industries, namely, glass works, metallurgy, paper mills, sugar refineries, tanneries, and water-purification plants. In 1940 these industries used 54 per cent of the total output, the metallurgical industry consuming 20.4 per cent. Other consumers included the building trades, 20.7 per cent; agricultural industry, 7.5 per cent; and the producers of refractory lime (dead-burned dolomite), 17.8 per cent.

During 1940 consumption of lime for all major purposes increased. For chemical and industrial uses there was an increase of 19 per cent over the 1939 figure, while agricultural and building consumption gained slightly. The increase in consumption was marked by a heavier demand for metallurgical and refractory lime and increased use of lime by paper mills in the treatment of wastes. Over the past twenty-six years there have been successive increases in the consumption of metallurgical lime, but the 1939-40 rate of increase exceeded that for all previous years and was accompanied by a similar increase in the use of limestone for flux.

In Ohio, lime supplies were consumed largely by the refractory and building industries; the metallurgical and agricultural industries in Pennsylvania absorbed half the production in that state; and in Missouri the metallurgical and water-purification plants were the principal industries using lime. Of the West Coast production of 302,000 tons in 1940, the metallurgical industries in Utah and California absorbed 80,000 tons, the building trades in California 24,000 tons, and the State of Washington used 30,000 tons in its paper mills.

The four leading consuming states—Pennsylvania, New York, Illinois and Michigan—used more lime than they produced. Although production exceeds apparent consumption in twelve states, only Ohio, Missouri and Tennessee recorded shipments out of the state in excess of shipments received.

Consumption of hydrated lime has been high in the Middle Atlantic States during recent years, but in 1940 the Western States showed the highest percentage increase.

## PRICES

Since 1937 average prices have shown a gradual and steady decline, interrupted by a rise in the value of building lime during 1939 and of chemical and industrial lime in 1938. The average values of lime used for tanning, sugar refining, water purification and metallurgical purposes were higher in 1940 than in 1939. The unit value of lime for all other purposes decreased.

The average gross value of bulk lime f.o.b. point of shipment was \$6.95 per ton in 1940, \$7.06 in 1939 and \$7.21 in 1938. Over the past decade prices averaged \$6.96 per ton. In 1940 hydrated lime averaged \$7.59 and quicklime \$6.69 per ton as compared with \$7.68 and \$6.79 respectively in 1939. The



average value of lime by uses in 1940 (1939 prices in parentheses) were: agricultural, \$5.71 per ton (\$6.11); building, \$8.45 (\$8.56); chemical and industrial, \$6.20 (\$6.23); and refractory, \$7.98 (\$8.11).

Prices of imports of lime for consumption averaged \$8.90 per ton in 1940, and \$9.35 in 1939. Export prices averaged \$9.76 per ton in 1940 and \$11.01 in 1939.

#### DUTIES

Under the Canada-United States Trade Agreement the United States duty on hydrated lime is 6 cents per 100 pounds, including weight of container. The rate on lime, n.s.p.f., is 5 cents per 100 pounds including weight of container. Limestone (not suitable for use as monumental or building stone), crude or crushed but not pulverized, is dutiable at  $2\frac{1}{2}$  cents per 100 pounds. Limestone ground and pulverized for agricultural purposes is admitted free of duty.

#### LIMESTONE

In 1939 the amount of limestone sold or used in the United States, including that used in cement and lime manufacture, exceeded 139,000,000 tons. Limestone was quarried in every state with the exception of Delaware and New Hampshire, and the District of Columbia.

Although the major consumption of limestone is in the form of concrete aggregate in road building, in blast furnaces, harbour works, dams, cement and lime manufacture, as building stone and for agricultural purposes, etc., 35 per cent of the limestone handled commercially is used in the various manufacturing chemical industries, of which the metallurgical (flux) plants consume approximately 68 per cent. In 1939 a total of 30 states produced stone for this purpose, the most important being Michigan, Pennsylvania, Ohio, West Virginia, and Alabama. Flux is sold to copper, silver, aluminium and lead smelters in Arizona, California, Montana, Nevada, Texas, Utah, and Washington; in all other states flux goes into iron and steel manufacture only. Pulverized limestone, in preference to lime, is used extensively for agricultural purposes because of its low cost and availability, even though lime has certain advantages for application to the soil.

In 1939 Canada was the only foreign supplier of limestone, crude or crushed but not pulverized, to the extent of 32,974 tons valued at \$37,483 and practically the only supplier of ground and pulverized limestone for agricultural purposes in the amount of 6,904 tons valued at \$37,104. No exports of limestone from the United States were recorded.

#### TALC

#### PRODUCTION

Eleven states were producing talc in 1940 as compared with nine in 1939. Eight of these states are along the Atlantic coast; the other three, California, Washington and Nevada, are in the west. New York is by far the most important producing state.

Producers in 1940 established another new record in sales of crude, sawed and manufactured and ground talc, amounting to 281,375 tons valued at \$3,008,320 as compared with 253,976 tons valued at \$2,700,834 in 1939. Ground talc comprised approximately 98 per cent of production. The greatest advance in sales of talc were recorded by New York, California, and North Carolina. Although there are 30 or 40 producers, over half the entire production is supplied by not more than half a dozen firms.

Sales of talc, pyrophyllite and ground soapstone have shown gains only on the crest of booms. Prior to the depression the bulk of these materials came primarily from New York and Vermont, but since 1932 California and North Carolina have been producing increased quantities. Seventy-five per cent of the



production is used in five industries, namely, the paint, ceramic, roofing, paper, and rubber industries. The paint industry absorbed 24 per cent of total sales in 1940, the ceramic industry holding second place with 18 per cent. Smaller outlets were for toilet preparations, fillers, foundry facing and the crayon industries. Electrical and refractory industries used some calcined talc. The largest markets for industrial crude tales are in the Eastern States north of Virginia. High freight rates preclude competition from California, sales from this state being confined to the Western States.

#### IMPORTS

Despite the large domestic production, imports of 28,363 tons valued at \$487,267 were recorded for consumption in 1940 as against 26,170 tons valued at \$425,221 in 1939. The greatest proportion of imports is in the ground, washed and pulverized materials. Ground talc, soapstone and French chalk are obtained from seven countries, Italy being the leading source, with France, Canada, China, British India, Japan, and Egypt following in that order. The largest importing state is New York; New Orleans, Indiana and Virginia imported smaller quantities, and imports into Western States were negligible.

#### EXPORTS

Only a few thousand tons of domestic crude talc are consigned annually to foreign markets, totalling 9,402 tons valued at \$167,992 in 1940; but there is an export trade in talcum powders which in that year amounted to \$945,530 as compared with \$1,115,176 in 1939. The largest outlet in 1939 was the Philippine Islands, followed by British India, Burma, Colombia and the Gold Coast. New York was the largest exporting state.

#### DUTIES

Under the Canada-United States Trade Agreement, the duty on talc, steatite or soapstone, ground, washed, powdered or pulverized (except toilet preparations), entering the United States is 17½ per cent ad valorem when valued at not more than \$14 a ton.

#### PRICES

The average value per ton of talc, pyrophyllite and ground soapstone sold by the producer was \$10.69 in 1940, \$10.63 in 1939 and \$10.82 in 1938. Prices of finely ground domestic talc, f.o.b. plant in carload lots in April, 1941, remained unchanged from the previous year, as follows: California, \$17 to \$20; New York, \$14 to \$19.25; and Vermont, \$14. High-grade "lava talc" lump commands the highest prices, selling for as much as 6 cents a pound. Various forms of sawed talc have sold at \$100 to \$150 a ton, and some of these materials have brought as high as \$800 a ton. Prices of other kinds of talc and ground soapstone range from \$4 to \$20 a ton. Prices of imported tales range from about \$20 to as much as \$85 a ton, the higher prices being for French and Italian tales when these were procurable.

### TRADE COMMISSIONER ON TOUR

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima (whose territory includes Chile, Ecuador and Bolivia), is on tour in the Dominion in the interest of Canadian trade with his territory. Following is the remainder of his itinerary:—

Winnipeg . . . . . Jan. 5

Vancouver and Victoria . . Jan. 9 to 17

Canadian firms wishing to be brought in touch with Mr. Vechsler should communicate with the Canadian Manufacturers Association in these cities.

## SUMMARY OF THE TRADE OF CANADA: MONTH OF NOV. AND ELEVEN MONTHS ENDING NOV., 1941

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of November, 1941				Eleven Months ending November, 1941			
	From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for Consumption</i>								
Agricultural and Vegetable Products .....	15,409,559	690,875	5,131,701	158,567,705	6,535,056	50,614,641		
Animals and Animal Products .....	3,264,263	446,432	1,196,390	31,748,928	4,768,823	15,236,935		
Fibres, Textiles and Textile Products .....	15,778,731	6,536,890	5,114,527	146,524,266	56,223,582	44,030,166		
Wood, Wood Products and Paper .....	3,496,194	252,871	3,041,434	33,497,345	2,371,113	30,011,364		
Iron and Its Products .....	34,405,928	1,209,828	32,856,709	397,456,424	17,285,061	377,475,526		
Non-Ferrous Metals and their Products .....	7,624,686	431,789	5,784,037	86,594,108	8,212,132	60,663,466		
Non-Metallic Minerals and their Products .....	19,081,145	1,606,516	16,457,737	173,574,607	16,188,226	136,847,666		
Chemicals and Allied Products .....	6,201,575	1,131,210	4,815,348	60,006,149	8,292,859	49,450,733		
Miscellaneous Commodities .....	28,328,436	7,031,758	21,198,009	234,836,419	84,947,830	147,619,034		
Total Imports 1941 .....	134,190,517	19,338,159	95,545,892	1,322,905,951	204,824,682	911,949,531		
1940 .....	102,283,687	11,317,160	74,451,713	979,648,243	143,004,314	675,201,903		
1939 .....	84,561,211	13,482,462	56,891,222	678,946,196	105,548,836	447,796,651		
<i>Exports (Canadian Produce)</i>								
<i>Exports (Foreign Produce)</i>								
Agricultural and Vegetable Products .....	32,287,972	14,100,370	11,789,121	256,310,909	153,629,530	63,120,832		
Animals and Animal Products .....	24,103,722	17,162,328	4,432,764	180,166,756	102,402,707	58,731,259		
Fibres, Textiles and Textile Products .....	2,918,284	17,866	743,553	27,737,346	3,034,954	5,772,313		
Wood, Wood Products and Paper .....	34,577,703	3,709,938	26,915,905	352,639,087	54,052,461	258,708,682		
Iron and Its Products .....	21,932,388	3,896,874	2,109,408	219,109,512	64,319,826	12,338,322		
Non-Ferrous Metals and their Products .....	23,425,377	13,426,171	8,433,526	225,240,168	124,424,713	84,994,699		
Non-Metallic Minerals and their Products .....	4,179,871	284,390	2,976,052	40,602,460	4,713,080	28,916,278		
Chemicals and Allied Products .....	6,010,886	3,316,750	1,362,653	52,541,065	23,761,382	13,420,314		
Miscellaneous Commodities .....	12,998,891	4,911,551	1,366,261	115,883,406	79,472,494	11,609,520		
Totals, 1941 .....	162,435,094	60,826,238	60,019,243	1,470,530,709	609,811,147	537,612,219		
1940 .....	117,452,172	52,733,447	43,958,696	1,081,333,493	477,150,209	399,192,452		
1939 .....	97,163,176	30,023,170	45,201,061	823,904,582	298,782,157	326,395,933		
<i>Exports (Foreign Produce)</i>								
Totals, 1941 .....	1,643,535	98,393	878,547	17,832,720	2,687,153	9,090,446		
1940 .....	1,651,979	24,610	712,840	13,173,439	4,089,370	8,101,387		
1939 .....	1,327,190	28,756	1,208,685	10,044,403	739,424	8,522,647		
<i>Excess of Imports (i) or Exports (e)</i>								
Totals, 1941 .....	29,888,112	(e)	41,586,472	(e)	165,457,478	(e)	365,246,866	(i)
1940 .....	16,120,464	(e)	41,440,897	(i)	338,235,265	(e)	267,908,064	(i)
1939 .....	13,929,155	(e)	16,569,464	(i)	155,002,789	(e)	112,878,074	(i)



## NEW ZEALAND PRODUCTION AND IMPORTS OF TIMBER

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

[Any conclusions regarding timber imports into New Zealand that might be reached from reading this report, prepared six weeks before Japan began hostilities in the Pacific, must be modified by this extension of the war.—Ed.]

Auckland, October 22, 1941.—According to New Zealand Government statistics, the output of sawn timber for the year ended March 31, 1940, totalled 336,000,000 board feet, an increase of 6 per cent over the previous year's cut and of 11,000,000 board feet over the estimated cut. This is the highest since 1925-26 and is the direct result of the increased demand which began with the outbreak of war. This demand has remained steady, and it is expected that production for 1940-41 will reach 340,000,000 board feet.

Rimu and insignis pines account for 75 per cent of all the timber produced, and for 1939-40 were alone responsible for the increase. Production of other species either declined or remained at practically the same level as in the previous year. Rimu is the principal construction timber, both for military and civilian purposes, and output reached a peak of 206,000,000 board feet, almost three times the figure for the depression year 1931-32. The demand for insignis pine has also shown a marked advance, as indicated by the increased production from 10,000,000 board feet in 1929-30 to 47,000,000 in 1939-40. It now accounts for 14 per cent of the total cut and is second in importance only to rimu.

Beginning in 1939 the effect of import restrictions, combined with higher prices and shipping difficulties, has tended to reduce drastically the importations of timber from all sources. According to the trade returns, the value of imports of all sawn timber for the calendar year 1940 totalled £260,885 as compared with £413,265 in 1939 and £428,955 in 1938.

The values and the countries of origin of the various timber imports for the past three years and for the first eight months of the current year are shown in the following table; values shown are the current domestic values in the countries of export, plus 10 per cent, expressed in terms of New Zealand currency:

### *New Zealand Imports of Timber*

	1938	1939	1940	Jan.-Aug., 1941
Logs and poles—				
Totals . . . . .	£ 36,442	£ 12,563	£ 18,494	£ 2,800
Australia . . . . .	34,611	10,837	13,745	2,653
Canada . . . . .	1,831	1,597	626	.....
Russia . . . . .	.....	.....	2,744	.....
United States . . . . .	.....	.....	1,330	.....
Japan . . . . .	.....	.....	690	.....
Rough sawn or hewn timber—				
Ash, hickory, etc.:				
Totals . . . . .	12,332	8,681	3,007	1,854
Canada . . . . .	767	338	.....	346
Australia . . . . .	.....	.....	.....	292
Lithuania . . . . .	6,085	1,293	.....	.....
United States . . . . .	4,369	4,506	1,838	763
Japan . . . . .	204	151	702	.....
Ecuador . . . . .	141	159	253	102
Cedar:				
Totals . . . . .	3,520	3,604	591	417
Canada . . . . .	3,377	3,565	591	417
Douglas fir:				
Totals . . . . .	52,560	41,330	24,093	12,735
Canada . . . . .	52,260	41,330	24,090	12,735
United States . . . . .	300	.....	3	.....
Hemlock:				
Canada . . . . .	39	.....	.....	.....
Australian hardwoods . . . . .	241,563	232,434	138,757	92,522
Oak:				
Totals . . . . .	42,819	53,094	63,002	19,683
Japan . . . . .	41,020	51,852	62,723	19,683
United States . . . . .	1,473	1,091	279	.....

	1938	1939	1940	Jan.-Aug., 1941
Redwood:				
United States . . . . .	47,504	68,651	22,768	34,674
Spruce:				
Canada . . . . .	97	62	5,839	.....
Other kinds:				
Totals . . . . .	7,690	2,552	1,471	426
Burma . . . . .	1,656	807	467	375
India . . . . .	2,336	54	.....	.....
Australia . . . . .	1,971	922	432	30
Canada . . . . .	.....	.....	61	21
United States . . . . .	861	419	511	.....
Sawn, dressed timber—				
Douglas fir:				
Totals . . . . .	809	429	36	.....
Canada . . . . .	798	385	36	.....
United States . . . . .	11	44	.....	.....
Australian hardwoods . . . . .	212	317	130	97
Other kinds—				
Totals . . . . .	510	122	8	.....
United Kingdom . . . . .	89	122	.....	.....
Canada . . . . .	61	.....	.....	.....
Australia . . . . .	321	.....	.....	.....
Fiji . . . . .	.....	.....	8	.....
Timber for—				
Butter boxes:				
Totals . . . . .	17,404	.....	.....	.....
Canada . . . . .	25	.....	.....	.....
Finland . . . . .	14,014	.....	.....	.....
Sweden . . . . .	3,365	.....	.....	.....
Fruit cases:				
United States . . . . .	114	.....	.....	.....
Cases, other kinds:				
Canada . . . . .	1,782	1,989	.....	.....
Total, all sawn timber . . . . .	428,955	413,265	260,885	162,311

## IMPORT RESTRICTIONS

The restrictions on the importation of timber into New Zealand have practically eliminated those of sawn and dressed timber and have confined the entry of rough, sawn timber to an absolute minimum consistent with essential demands. Purchases of logs and poles are under strict control, and imports in this category have also been reduced.

During the first licensing period (January-June, 1939) imports of sawn, dressed timber were permitted from any source to the value of such imports during the corresponding period of 1938. Rough sawn from the Empire was given similar treatment but reduced by 55 per cent from foreign countries. In the second period (July-December, 1939) sawn, dressed timber from all countries was reduced 100 per cent, but there was no change in respect of rough sawn. During the third period (January-June, 1940), dressed timber continued on the prohibited list, and rough sawn was put under control, that is, applications for import licences were considered individually. An exception was made in respect of rough, sawn lengths of 25 feet or more, which were permitted entry from the United Kingdom up to the value of imports during the first six months of 1938 and reduced by 50 per cent from all other countries. For the fourth and fifth licensing periods, that is the last half of 1940 and the full year 1941, rough sawn, both short and long, was placed on the "C" or control list, dressed timber being still prohibited entry. The same treatment is scheduled for the sixth period (January-December, 1942).

As mentioned above, the effect of the control has been to eliminate practically all sawn and dressed imports and to confine those of rough sawn to door stock and a small proportion of the longer lengths previously brought in. From the table of import values it can be seen that Canada's contribution has been mainly in Douglas fir and to a less extent in cedar and spruce.



To conserve local stocks of imported timber and to encourage the production and sale of New Zealand timbers, the use of Douglas fir and redwood in the Dominion was brought under strict control in April, 1940. Regulations were issued prohibiting the use of Douglas fir for the following purposes: (a) construction of doors or of parts of doors; (b) panelling or interior finishing; (c) house construction (except as stated below).

Douglas fir can be sold when the dealer is satisfied that it is to be used for: (a) manufacture of tanks or vats; (b) scaffolding (merchantable grade only); (c) manufacture of ladders; (d) ships' hatches (merchantable grade only); (e) window sashes (kiln-dried timber only).

Only under very special circumstances will licences be issued for the use of Douglas fir for any other than the above purposes.

The sale of redwood is prohibited for: (a) construction of doors or of parts of doors; (b) panelling or interior finishing; (c) weatherboarding.

Under special licence redwood can be used for: (a) manufacture of vats; (b) window sashes.

The above regulations are still in force and have had a material effect on the imports of the timbers concerned.

#### SALES PROSPECTS

Reports from various quarters reveal that the stocks of constructional timbers on hand are not sufficient to meet all demands. Nevertheless there is no early prospect of the strict control of imports being relaxed. Licences will be granted only for essential requirements. While such licences may effect a slight increase in imports, this increase will not materially alter the present position and will merely tend to fill the gap until the strenuous efforts to increase domestic production bear fruit.

### CURRENT SITUATION IN THE CUBAN DRIED AND SMOKED FISH MARKET

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, December 20, 1941.—Scarcity of supplies and higher prices are the main factors affecting the Cuban dried salt fish market since the previous monthly report.

#### HAVANA MARKET

Canadian exporters have again entered this market, offering limited quantities of imperial and large-size cod at \$16 and \$15.50 respectively per 100-pound bale c.i.f. Havana. As far as can be determined there have been approximately 1,000 bales placed at these prices for delivery during the coming month of January. All offers found acceptance immediately and it is understood that buyers would contract for considerably more if supplies were available. Current stocks of local importers are running low, but it is estimated that there will be sufficient to carry over until the new supplies reach this market next month.

According to a reliable source of information, the Holms Packing Co., of Eastport, Maine, has sold to this market within the past fortnight over 4,000 cases of sardines packed in peanut oil. The product is reported to have been favourably received by local importers. There are requests for further offers, but supplies appear to be limited, as the exporters have temporarily withdrawn from this market.

#### SANTIAGO DE CUBA

There are no changes in conditions on this market. Evidently there are sufficient supplies to meet the demand, as no information has been received to the contrary. Medium and small cod are currently quoted at \$14.85 and \$14.35 respectively per drum of 128 pounds c.i.f. Santiago de Cuba.



## PETROLEUM INDUSTRY OF COLOMBIA

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(1.75 peso equals U.S.\$1.00)

Panama City, December 11, 1941.—It is estimated that 16.3 per cent of the area of Colombia, amounting to 19,000,000 hectares, may be classified as prospective petroleum territory. Of this area, some 3,500,000 hectares or 18.5 per cent is already under contract with the National Government or with private owners.

The petroleum industry really started in Colombia in 1905, when the National Government granted concessions to Don Roberto de Mares and to Don Virgilio Barco in the Magdalena Valley and the Catatumbo Zone, respectively. Since that date, and especially since 1931, many further concessions have been granted; but the two mentioned are the only ones that have been developed and exploited commercially. It was only in 1926 that the first barrel of crude oil from the De Mares concession was available for sale in world markets and in 1936 that the Barco concession commenced commercial operations.

### PRODUCTION

The following table shows the production of petroleum and gasoline for the years 1936 to 1940 and for the first five months of 1941:—

#### *Production of Petroleum and Gasoline in Colombia*

	Petroleum Barrels	Gasoline Barrels
1936 . . . . .	18,740,000	673,000
1937 . . . . .	20,292,000	742,000
1938 . . . . .	21,581,000	839,000
1939 . . . . .	23,857,000	889,000
1940 . . . . .	25,556,000	1,006,000
1941—		
January . . . . .	1,900,000	92,000
February . . . . .	1,637,000	79,000
March . . . . .	1,902,000	91,000
April . . . . .	1,658,000	83,000
May . . . . .	2,290,000	87,000

### EXPORTS

Colombia's exports of petroleum during 1940 amounted to 22,426,498 barrels valued at 39,919,927 pesos. Compared with 1939, the 1940 figures showed an increase of 3,000,000 barrels and an increase in value of 7,936,931 pesos. Canada was the largest customer for Colombia's oil with purchases during 1940 amounting to 9,203,423 barrels valued at 15,324,467 pesos. Curacao was second as a purchaser, exports to that Netherlands territory being valued at 12,805,410 pesos. France was the third largest customer (5,013,944 pesos), followed by Argentina (2,271,794 pesos), and the Canary Islands (1,825,288 pesos).

Distribution of Colombia's petroleum differed greatly in 1940 from that in 1939. In the latter year Canada bought only 5,148,820 barrels valued at 7,957,699 pesos as compared with purchases, already noted, of 9,203,423 barrels valued at 15,324,467 pesos in 1940. While two years ago Canada's purchases represented 26.5 per cent of the total value of petroleum exports, in 1940 Canada took 41.1 per cent of the barrels and paid 38.3 per cent of the total value of petroleum exported.

Similarly, Argentina in 1939 bought only 190,597 barrels valued at 377,754 pesos as against 1,000,577 barrels valued at 2,271,794 pesos in 1940. That is to say, Argentina took 4.5 per cent of the total number of barrels exported

and 5.7 per cent of the total cost of the petroleum in 1940 as against only 1 and 1.2 per cent, respectively, during 1939.

Curacao, on the other hand, reduced its purchases of Colombian petroleum. In 1939 Curacao took 46.8 per cent of the total barrels exported and paid 44.3 per cent of the total value of these exports. In 1940 its purchases dropped to 35.3 per cent of the barrels exported and to 33 per cent of the total value in pesos.

Czechoslovakia and the Union of South Africa in 1939 took 0.3 per cent and 0.4 per cent, respectively, of the purchases of petroleum by barrels, but in 1940 did not appear as petroleum buyers. In contrast, Portugal took none in 1939 but bought 1.7 per cent of the total number of barrels exported during 1940.

Exports of Colombian petroleum to the United States fell sharply in 1940. In 1939 exports of petroleum to the United States amounted to 6 per cent of the barrels exported but in 1940 only to 1.5 per cent. It should be remembered, however, that a large part of the petroleum which goes to Curacao to be refined eventually finds its way to the United States.

### AMERICAN BAUXITE SUPPLIES

FROM *The Economist* (LONDON) OF NOVEMBER 29, 1941

The United States itself is one of the most important bauxite-producing countries in the world; in 1940 the mines in Arkansas, Alabama and Georgia produced the record total of 445,958 metric tons, against 381,331 tons a year previously. This year an increase of no less than 50 per cent in the country's bauxite output is expected, and investigations made by the United States Bureau of Mines indicated that even this year's output could be multiplied if required. Nevertheless, the Office of Production Management decided last summer that, while United States bauxite mines should be fully equipped to meet any possible emergency, imports should be maintained at a high rate as long as possible in order to conserve domestic reserves.

Among the foreign bauxite sources of the United States, Surinam (Dutch Guiana) is predominant. In 1940, when the record total of 629,552 tons of bauxite (against the previous record of 520,179 tons in 1939) were imported into the United States, Dutch Guiana supplied no less than 585,993 tons, or 93 per cent of all imports. Of the remainder, 29,929 tons came from British Guiana and 13,630 tons from the Dutch East Indies. This year United States requirements will be much larger than in 1940. The country's total bauxite consumption in 1941 can be taken at 1,400,000 metric tons, against 958,695 tons last year. Of this huge quantity United States mines may supply 660,000 tons, while at least 740,000 tons will have to be imported.

There is every likelihood that Surinam will be able to meet the increased requirements. Last year Surinam produced 615,434 metric tons, compared with 511,619 tons and 377,213 tons, respectively, in the two preceding years. Since then production has been greatly expanded. The *Surinaamsche Bauxite Maatschappij* started a new bauxite crushing and drying plant at Paranam in February, 1941; its ore basis is a newly developed and rich deposit at Topibo in the Para Creek district. The new plant has a production capacity of 150 tons of dried bauxite an hour, while the company's old plant at Moengo on the Cottica River, which has so far supplied the bulk of the Surinam bauxite and which is still in operation, has an hourly capacity of only 100 tons. In addition to the expansion of this company, the *N.V. Billiton Maatschappij*, which interrupted its bauxite mining operations in Surinam in 1940 in order to concentrate on its work in the Dutch East Indies, re-entered the field early in 1941, and started the construction of a crushing and drying plant on the Surinam River



near Paranam in February last. Whether this plant has already come into operation is not yet known, but it is safely assumed that Surinam will produce 800,000 metric tons of bauxite this year and will increase the output to over 1,000,000 metric tons in 1942. As the Surinam bauxite reserves are so extensive that their probable total has not yet been established, the rapid increase in production since the outbreak of war will not cause any technical difficulties.

#### ADDITIONAL SUPPLIES

While Surinam will still be able to supply the bulk of the United States' bauxite imports, the U.S. aluminium industry has a direct interest in the opening of additional American bauxite resources, especially as the country's aluminium output is still far from its scheduled peak and ever-increasing bauxite supplies will be needed within the next few years. The only important American bauxite deposits so far developed outside the United States and Surinam are situated in British Guiana. The latter territory, in which the production of bauxite started in 1914 (Surinam in 1922) produced less bauxite than Surinam between 1927 and the outbreak of this war. Last year, however, both the expansion and rate of production in British Guiana reached an unprecedented level, and 700,000 metric tons, against 483,653 metric tons and 382,409 metric tons, respectively, in the two preceding years, were produced. The Demerara Bauxite Company, Ltd., a subsidiary of the Aluminum Company of Canada, continued to account for the bulk of the output from its extensive Demerara River deposits, which stretch over long distances on both sides of the river. Moreover, an investigation into new bauxite deposits in the districts of Essequibo and northwest Guiana was completed by this company last year and will probably lead to the opening up of new mines. Meanwhile, the Berbice Company, Ltd., started the construction of a new bauxite crushing and drying plant early this year to utilize the ore from a new rich 4,000-acre concession near the Demerara River. British Guiana also, therefore, has every prospect of bringing its output to within reach of 1,000,000 tons a year before the end of 1942. As has been shown, British Guiana has so far supplied only a very small percentage of the United States' bauxite imports. Almost the whole of its output is shipped to Canada and to a minor extent to Great Britain. As, however, the Canadian aluminium industry has concluded huge aluminium supply contracts with the United States Government early this year (1941), the United States is directly interested in the protection of the British Guiana deposits, even if the British colony continues to supply only limited quantities of bauxite to the United States direct.

#### CONTROL OF EXPORTS FROM CANADA

##### ADDITIONS TO LIST OF PRODUCTS FOR WHICH EXPORT PERMITS ARE REQUIRED

Under Order in Council P.C. 9935 of December 23, 1941, the following have been added as from December 30, 1941, to the list of commodities which may not be exported from Canada except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

##### GROUP I—AGRICULTURAL AND VEGETABLE PRODUCTS

###### Field crop and vegetable seeds—

Rye	Red clover
Wheat	Red top
Alfalfa	Sweet clover
Alsike	Timothy
Brome grass	Western rye grass
Canadian blue grass	White clover
Creeping red fescue	Asparagus
Crested wheat grass	Beans (garden and field)
Kentucky blue grass	Beet
Millet	Cabbage

Carrot  
Cauliflower  
Celery  
Citron  
Corn (garden and field)  
Cucumber  
Lettuce  
Mangel  
Musk melon  
Mustard  
Onion  
Onion sets

Parsnip  
Peas (garden and field)  
Pepper  
Pumpkin  
Radish  
Spinach  
Squash  
Sugar beet  
Swede  
Tomato  
Turnip  
Vegetable marrow

#### GROUP 2—ANIMALS AND ANIMAL PRODUCTS

Beef and calf pancreas.

#### GROUP 8—CHEMICALS AND ALLIED PRODUCTS

Arsenic acid and arsenious acid, and products containing arsenic acid and arsenious acid.  
Calcium arsenate and products containing calcium arsenate.  
Calcium hypochlorite and products containing calcium hypochlorite.  
Calomel and products containing calomel.  
Carbon tetrachloride and products containing carbon tetrachloride.  
Copper carbonate and products containing copper carbonate.  
Corrosive sublimate and products containing corrosive sublimate.  
Ethylene dichloride and products containing ethylene dichloride.  
Lead arsenate and products containing lead arsenate.  
Mono-hydrate copper sulphate and products containing mono-hydrate copper sulphate.  
Nicotine sulphate and products containing nicotine sulphate.  
Organic mercurials and products containing organic mercurials.  
Paradichlorbenzene and products containing paradichlorbenzene.  
Sodium aluminum fluoride and products containing sodium aluminum fluoride.  
Sodium arsenite and products containing sodium arsenite.  
Sodium hydroxide (caustic soda or lye).  
Sodium hypochlorite and products containing sodium hypochlorite.  
Sodium silicofluoride and products containing sodium silicofluoride.  
Sulphur for insecticide and fungicide use.  
Tar acids and products containing tar acids.  
Paints, varnishes, pigments and ink—  
    Paints, bituminous, liquid and plastic.  
    Paints, other, liquid.  
    Paints, kalsomine or cold-water, dry.  
    Pigments of all kinds, including pigments ground in oil.  
    Varnishes.  
    Lacquers.  
    Japans.  
    Oil finish.  
    Wood fillers.  
    Driers, metallic, liquid or not.  
    Putty.  
    Thinners for nitrocellulose lacquers or paints.  
    Gums, varnish, natural or synthetic.  
    Ink, shoemakers', printing, rotogravure, and writing.

#### CHANGES IN DESCRIPTIONS OF PRODUCTS REQUIRING EXPORT PERMITS

Descriptions of items in the list of products requiring an export permit are amended by Order in Council P.C. 9935 as follows:—

#### GROUP 8—CHEMICAL AND ALLIED PRODUCTS

"Calcium cyanamide" to read: "Calcium cyanamid and products containing calcium cyanamid."  
"Casein, casein glue and other casein manufactures" to read: "Casein, casein glue and other casein products."  
"Formaldehyde" to read: "Formaldehyde and products containing formaldehyde."  
"Naphthalene" to read: "Naphthalene and products containing naphthalene."  
"Rotenone" to read: "Rotenone and products containing rotenone."  
"Sodium chlorate" to read: "Sodium chlorate and products containing sodium chlorate."  
"Strychnine and salts thereof" to read: "Strychnine, strychnine salts, and products containing strychnine."



## TARIFF CHANGES AND TRADE REGULATIONS

### New Zealand

#### SOME IMPORT LICENSING RESTRICTIONS RELAXED

With reference to the article appearing in *Commercial Intelligence Journal* No. 1959 (August 16, 1941), page 201, information has been received from the office of the Canadian High Commissioner in Wellington of further amendments to the licensing restrictions announced to be effective in New Zealand during 1942.

#### INCREASES FROM 50 PER CENT TO 100 PER CENT OF 1940 IMPORTATIONS

Licences may be issued for the importation up to 100 per cent (formerly 50 per cent) of the importations of the following goods by the same importer from the same countries during 1940, viz:

*From All Countries (except United States).*—Unspecified dextrine; chlorinated lime; formic aldehyde and solutions thereof; iodine; quinine and salts of quinine; strychnine and salts of strychnine; drugs and chemicals to be warehoused in a manufacturing warehouse; crude drugs, not powdered and unsuited for food; carrageen or Irish moss; essential oils; compressed or liquefied gases (except anhydrous ammonia and carbon dioxide); Arabic, benzoin, dammar, tragacanth, and Indian gums; shellac; vitamins, vitamin concentrates and mixtures thereof (excluding wheat germ oil); medicinal preparations (excluding effervescing saline preparations and cod liver oil emulsions); saccharin; specified scientific and philosophical apparatus.

*From All Countries.*—Cordage and twine suited for use as fishing lines.

*From United Kingdom and Other British Countries (including Canada).*—Unspecified inorganic acids (except sulphuric); also benzoic, carbolic, citric, gallic, lactic, oleic, oxalic, picric, crude pyroligneous, pyrogallie, salicylic, tannic, and tartaric acids; elastics, elastic threads and cords, plain tapes, all kinds of webbings.

*From United Kingdom and Crown Colonies.*—Approved infants' and invalids' foods; waterproof material in the piece; children's socks and stockings; fishing nets.

#### INCREASES FROM 50 PER CENT TO 100 PER CENT OF 1941 IMPORTATIONS

Licences may be issued for the importation up to 100 per cent (formerly 50 per cent) of the importations of the following goods by the same importer from the same countries during 1941, viz:

*From All Countries (except United States).*—Unspecified metallic elements, oxides, hydroxides; unspecified inorganic salts.

*From All Countries.*—Unspecified measuring, counting, testing, indicating appliances (excluding water meters and magnetic compasses); circular saws; axes; hay forks; tools for jewellers' use; unspecified artificers' tools.

*From United Kingdom and Other British Countries (including Canada).*—Gum boots.

*From United Kingdom Only.*—Typewriters; women's full-length stockings of wool.

#### OTHER AMENDED QUOTAS FOR ADMISSION

Rubber tires and tubes may be licensed for admission from the United Kingdom and other British countries (including Canada) up to 50 per cent of licensed admissions therefrom in 1941 (formerly applications for import licences were dealt with individually on their merits).

Canned apricots, peaches, and pineapples (except Fijian), from United Kingdom and other British countries, up to 25 per cent of importations therefrom in 1940 (formerly applications were dealt with individually).

Ball cartridges of .22 calibre, from any country, up to 50 per cent of importations from the same source in 1938 (formerly applications were dealt with individually).

Ball cartridges (other than .22 calibre), from any country, up to 100 per cent of importations from the same source in 1941 (formerly there was no allocation for such cartridges).

Fishhooks, from any country, up to 150 per cent of importations from the same source in 1940 (formerly quota was 100 per cent).

Aids to hearing (ear trumpets, etc.); from any country, up to 25 per cent of importations from the same source in 1941 (formerly no allocation).

Music text books and education music, from any country, up to 100 per cent of importations from the same source in 1938 (formerly the quota was based on importations in 1941).

Ginger in brine, from any country, up to 50 per cent of importations from the same source in 1941 (formerly no allocation).

Textile piece-goods such as dress, curtain and embroidery nets, lace curtains, and veilings, from United Kingdom and Crown colonies, up to 50 per cent of importations in 1941 (formerly 1940 was the quota base year).

Whitebait netting, from United Kingdom, up to 100 per cent of importations therefrom in 1938 (formerly quota was 50 per cent).

Sign-writers' brushes, from United Kingdom, up to 100 per cent of importations therefrom in 1941 (formerly admissible from any country).

Women's full-length stockings of cotton, silk and/or artificial silk, from United Kingdom, up to 100 per cent of importations therefrom in 1938 (formerly no allocation).

Round unworked logs, and rough sawn or rough hewn timber of species not separately named in the customs tariff, from Australia, up to 50 per cent of importations in 1940 (formerly applications dealt with individually).

Lawn bowls, from Australia, up to 50 per cent of importations therefrom in 1941 (formerly admitted only from United Kingdom and Crown colonies).

## South Africa

### ARTICLES EXEMPT FROM IMPORT CONTROL

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Cape Town, advises that by virtue of a Government decree of November 14 certain articles are exempted from the provisions of the South African Import Control Regulations and may, therefore, be imported into the Union without licence. These include samples of no commercial value, printed books, catalogues, periodicals, newspapers and advertising matter, paper patterns, cut flowers, flower bulbs, flower seeds and motion picture films.

## United States

### ALLOCATION OF TARIFF QUOTA ON HEAVY CATTLE

A proclamation signed by the President of the United States on December 22, allocated among countries of export for the calendar year 1942 the tariff quota applicable to cattle weighing 700 pounds or more each (other than cows imported for dairy purposes) which was established in the trade agreement with Canada signed on November 17, 1938. The agreement provides that not more than 225,000 head of such cattle may be imported in any calendar year at a rate of duty of  $1\frac{1}{2}$  cent per pound and that not more than 60,000 head of this quantity may be imported in any quarter-year. Imports above these amounts are dutiable at three cents per pound.

Under the terms of the proclamation, 86.2 per cent of the quota is allocated to Canada and 13.8 per cent to other foreign countries. These proportions are the same as those established for the calendar year 1941 by the President's proclamation of November 30, 1940. The application of these percentages to the maximum annual quota established in the agreement results in the following allocation for the calendar year 1942: Canada, 193,950 head; other foreign countries, 31,050 head. The maximum quarterly quota of 60,000 head has also been allocated, on the basis of the same percentages, as follows: Canada, 51,720; other foreign countries, 8,280.

The trade agreement with Canada provides that, if, after consultation with the Government of the United States, the Government of Canada requests alloca-



tion of the tariff quota for heavy cattle, the Government of the United States shall take the necessary steps to allocate the quota. The agreement also requires that the allocation shall be based upon the proportions of total imports into the United States supplied by foreign countries in past years, account being taken in so far as practicable in appropriate cases of any special factors affecting the trade.

In accordance with these provisions of the agreement, the allocation of the quota on heavy cattle was first established by a proclamation of the President, dated February 27, 1939, covering the last three quarters of 1939. This allocation, which was based upon imports into the United States supplied by Canada and other foreign countries during the years 1936 and 1937, was continued for the calendar years 1940 and 1941. During 1942 the allocation will be continued on the same basis unless modified by a subsequent proclamation.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 29, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Dec. 29, 1941, and for the week ending Monday, Dec. 22, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 22	Nominal Quotations in Montreal Week ending Dec. 29	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2625	.2617	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5872	.5872	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
New Glasgow, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.

St. Mary's, Ont.  
Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce,  
Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry,  
Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Paints, Low Grade.....	3735	Guatemala City, Guatemala.....	Agency.
Cement Paints in Powder Form..	3736	Guatemala City, Guatemala.....	Agency.
Wallpaper.....	3737	Guatemala City, Guatemala.....	Agency.
Electric Sockets and Equipment..	3738	Guatemala City, Guatemala.....	Agency.

NOTE.—Owing to a change in the system of reference for trade inquiries, starting with this issue reference numbers no longer appear in order of publication within the year nor necessarily serially in any issue.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasília," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 26 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

D. I.

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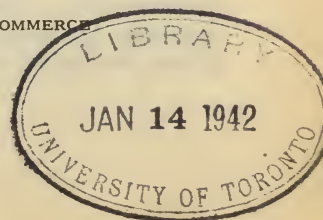
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L. D. WILGRESS, DEPUTY MINISTER





## MANUFACTURE OF FURNITURE IN THE UNITED KINGDOM

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, November 24, 1941.—Under a new quota scheme drawn up by the Timber Control and the Timber Supplies Committee for the Furniture Trade, wood is to be made available in the United Kingdom for the manufacture of only the simplest types of domestic furniture, which must comply with government specifications.

The scheme, which became effective on November 1, ensures that only the following articles of furniture with the maximum timber and plywood content (thickness in millimetres) shown may be fabricated:—

Item	Timber in Cu. Ft.	Plywood in Sq. Ft.	Plywood in Sq. Ft. as 4 Mm.
Wardrobe, 3' 0" . . . . .	1.614	4 mm. 16.55 6 mm. 31.10 9 mm. 9.00	83.45
Wardrobe, 4' 0" . . . . .	1.765	4 mm. 19.15 6 mm. 34.46 9 mm. 10.10	93.565
Chest and mirror . . . . .	1.675	4 mm. 5.00 6 mm. 22.35 9 mm. 4.50	48.65
Tallboy . . . . .	1.23	4 mm. 12.50 6 mm. 23.75 9 mm. 5.67	59.817
Bedstead, 4' 6" . . . . .	1.58	12 mm. 14.63	43.89
Bedstead, 3' 0" . . . . .	1.321	12 mm. 9.66	28.98
Sideboard, 4' 0" . . . . .	1.560	4 mm. 13.00 6 mm. 19.62 9 mm. 6.62	57.34
Dining table . . . . .	1.780	6 mm. 15.00	22.50
Kitchen cabinet . . . . .	1.80	4 mm. 15.15 6 mm. 30.17 9 mm. 9.28	81.27
Kitchen table-cabinet . . . . .	1.90	4 mm. 9.72 6 mm. 18.28 9 mm. 9.00	57.44
Kitchen table . . . . .	2.97	6 mm. 3.00	4.50
Curb, 3' 6" x 12" inside, 2 $\frac{7}{8}$ " x 2 $\frac{3}{8}$ " section	.339	4 mm. 3.20 6 mm. 3.33 9 mm. 5.47	20.49
Fireside chair . . . . .	Nil		
Arm chair . . . . .	.444	6 mm. 2.5	3.75
Small chair . . . . .	.410	6 mm. 1.75	2.65
Easy chair . . . . .	.75	4 mm. 5.00	5.00
Settee with drop end . . . . .	1.5	4 mm. 10.00	10.00
Bed settee . . . . .	1.5	4 mm. 10.00	10.00
Bed chair . . . . .	1.25	4 mm. 5.00	5.00

Manufacturers are issued with vouchers covering their monthly allocation of units calculated on the basis of their pre-war purchases of timber and plywood. The quantities available in exchange for each unit are fixed at 1.5 cubic foot of imported hardwood, or 37.5 square feet of 4-millimetre plywood or its equivalent in other thicknesses. The value of the unit will be slightly increased if manufacturers agree to take their ration in any of the following forms: imported hardwood dimension stock, home-grown converted hardwood, home-grown hardwood in the round, home-grown hardwood slabs and offcuts, and

certain imported exotic or fancy hardwood. All unit values will be liable to alteration from time to time in the light of experience and in accordance with ruling circumstances. Decorative veneers in reasonable quantities may be obtained in addition, subject to licences being issued.

The new scheme does not have any bearing on the existing position in regard to the importation of furniture, which, in effect, is prohibited under the Import Licensing Regulations.

## BUSINESS CONDITIONS IN BARBADOS

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, December 5, 1941.—Under wartime conditions Barbados is finding temporary relief from two of its most pressing problems: the marketing of its sugar and unemployment.

### SUGAR

Prior to the war the production of sugar was limited by quotas. Now it is being purchased freely by the United Kingdom for redistribution at a set price which allows a small profit to the producer, this year's crop being bought at 8s. 10½d. per cwt. (12s. 7½d. with preference), not exceeding 96 degrees, c.i.f. United Kingdom. Prolonged drought reduced sugar production last year to an unusually low level, but conditions this year are sufficiently favourable to warrant the hope of a greatly increased output from grinding, which begins about January.

### EMPLOYMENT

The area of Barbados is only 166 square miles and the estimated population is 200,000 inhabitants, most of whom are of the coloured working class. The production of sugar cane gives employment to about 20,000 workers on the plantations, 4,000 labourers find temporary employment for three months of the year in the sugar factories, and others are employed as carters, coopers and stevedores. Employment is also provided in a few local factories and in shops and warehouses, but opportunities for work are by no means sufficient to meet the needs of the colony's congested population. There is no record of the number actually unemployed, but the Labour Department reports that the number is being reduced by the departure of workers and artisans for those islands where United States army and naval bases are under construction. Some six hundred labourers have left the colony to date, and four hundred are listed to go.

### TOURIST TRADE

These favourable conditions for the colony are being supplemented by a moderate revival of beach hotel trade. Barbados has a number of hotels dependent on winter visitors from the north. This trade was lost with the outbreak of war, but now that British subjects are not permitted funds to take their leave outside of the islands, there has been a noticeable increase in the number of holiday visitors to Barbados. Prospects are much enhanced by the establishment of a daily plane service between Trinidad and Barbados.

In addition, despite changing local conditions, a steady income flows into the colony from considerable local holdings of gilt-edged securities. It is recognized in the West Indies that Barbadians are among the most careful of traders, and the results of their efforts are evident in a sense of stability which is characteristic of economic life in Barbados.



## IMPORT CONTROL

The war, however, is having its effect. Purchases from non-Empire sources were severely restricted at the outbreak of the war, and early in 1941, when it was found that the colony was not likely to balance its budget, increased import and direct taxes were introduced. Subsequently, in August, 1941, a number of non-essential imports was prohibited. This has been followed by the severe restriction of the use of metal goods, and plans are now being completed for the bulk purchase of semi-manufactured metal products sufficient for the essential needs for the first six months of 1942. These bulk orders, which do not include any items normally and readily obtainable from Canada, are to be sent to the British Purchasing Commission in the United States.

## COST OF LIVING

The cost of living has advanced at about the same rate as in the other islands. At present the index stands at 36.16 per cent above the August, 1939, level, and while there is no sliding bonus scale correlated with the cost of living index, wages have been raised by three 10 per cent increases since 1938.

## TRADE OF BARBADOS IN 1940

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, November 29, 1941.—The welfare of Barbados is dependent almost entirely on the production and export of sugar and its by-products. Fortunately, apart from two notable recessions in 1935 and 1938, these exports have tended to increase during the past ten years, and in 1939 when there was a bumper sugar crop they reached a record value of £1,885,944. Imports, which vary directly with the rise and fall of exports, also attained that year a record value of £2,370,775.

During 1939 and the early part of 1940 there was a severe drought in this area of the Caribbean, with the result that the Barbados sugar crop in 1940, amounting to approximately 97,224 tons, was considerably less than in the previous year. Total exports for the year declined correspondingly in value to £1,504,730, and imports to £2,293,396, although both figures were higher than for any of the past ten years except 1939.

As a result of purchasing the bulk of the Barbados specialty—fancy molasses—and about half of its exportable sugar, Canada was the colony's best market in 1940, the direction of trade, according to countries of destination, being as follows:—

*Distribution of Barbados Exports*

	1940	1939	1938	1937
Total exports . . . . .	£1,504,730	£1,885,944	£1,218,379	£1,498,341
	Per Cent	Per Cent	Per Cent	Per Cent
Canada . . . . .	60.6	51.9	37.6	39.4
United Kingdom . . . . .	26.6	40.7	42.3	40.0
Other British Empire countries	4.4	1.2	11.9	11.7
United States . . . . .	2.8	3.8	6.4	7.5
Other foreign countries . . . . .	5.5	0.2	0.7	0.6

While other kinds of sugar are produced, most of the sugar exported is the dark crystal type shipped to refineries in Canada and the United Kingdom. A total of 54,580 tons valued at £591,124 was exported in 1940 (123,096 tons at £1,224,292 in 1939), of which Canada purchased 27,040 tons (55,831 tons) and the United Kingdom 26,896 tons (67,200 tons). Some 5,315 tons of other kinds of unrefined sugar valued at £57,676 were also exported, most of it going to the United Kingdom.

Similarly, while Barbados choice and vacuum pan molasses are produced for export, the major export trade is in fancy molasses, a pure cane syrup



suitable for human consumption, exports of which in 1940 and 1939 were as follows:—

*Barbados Exports of Fancy Molasses*

	1940		1939	
	Gal.	£	Gal.	£
Total exports . . . . .	8,489,435	719,833	7,395,238	474,528
Canada . . . . .	7,137,589	605,208	6,145,025	394,305
United States . . . . .	916,611	77,721	886,903	56,910
Newfoundland . . . . .	419,807	35,596	356,542	22,878
Other countries . . . . .	15,428	1,318	6,768	435

A total of 1,588,702 gallons of other kinds of molasses was exported, the bulk of it, consisting of vacuum pan molasses, going to the United Kingdom.

IMPORTS

Barbados imports in 1940, valued at £2,293,396, were slightly lower than the previous year's record of £2,370,775. Foodstuffs accounted for 33·4 per cent of the total imports as compared with 36·3 per cent in 1939, manufactured products for 53·4 per cent as against 50·3 per cent, and raw materials for 10·8 per cent as compared with 10·7 per cent.

In spite of shipping difficulties arising from war conditions, the United Kingdom maintained its position as the principal source of the colony's imports. Canada, because of trade diversion, obtained a larger share of the colony's import trade, especially in foodstuffs, than in previous years, thereby continuing the upward trend which began in 1939.

The direction of trade in 1940 and 1939 according to countries of origin was as follows:—

*Origin of Barbados Imports*

	1940		1939	
	£	Per Cent	£	Per Cent
Total imports . . . . .	2,293,396	100.00	2,370,775	100.00
United Kingdom . . . . .	817,097	35.6	838,430	35.4
Canada . . . . .	582,146	25.4	416,843	17.6
Other British Empire countries . . . . .	401,853	17.5	359,799	15.2
United States . . . . .	249,834	10.9	377,382	15.9
Other foreign countries . . . . .	205,288	9.0	334,441	14.1
Newfoundland . . . . .	37,178	1.6	43,880	1.8

IMPORTS FROM THE UNITED KINGDOM

The value of the principal imports into Barbados from the United Kingdom in 1940, together with comparative values for 1939 within parentheses, are as follows:—

Sulphate of ammonia, £111,298 (£38,297); cotton piece-goods, £61,898 (£68,760); iron and steel manufactures, £45,551 (£41,871); machinery, all kinds, £69,303 (£62,011); cotton manufactures, other, £55,771 (£60,796); cigarettes, £25,426 (£31,706); boots, shoes and slippers, £22,556 (£32,315); common soap, £20,651 (£21,057); wool and woollen manufactures, £19,676 (£28,008); beer, ale and stout, £19,359 (£20,208); motor cars and trucks, £19,111 (£43,271); artificial silk piece-goods, £18,285 (£10,094); electrical apparatus, £13,481 (£15,973); hardware, £17,844 (£17,043); hats and bonnets, £12,571 (£13,698); paper, writing, wrapping, etc., £12,283 (£10,615); medicines and drugs, £14,540 (£10,712); cement, £9,419 (£18,778); paints and colours, £9,213 (£9,940); margarine, £13,405 (£13,693); apparel, £8,278 (£13,574).

IMPORTS FROM THE UNITED STATES

The main imports in 1940 from the United States according to value, with comparative values for 1939 within parentheses, are as follows:—

Iron and steel manufactures, £19,701 (£12,947); sulphate of ammonia, £52,052 (£195); oilmeal and oilcake, £15,076 (£44,821); potash, £14,105

(£39,637); staves and shooks, £17,675 (£8,713); coal, £9,339 (£941); lubricating oil, £9,392 (£6,685); maize or cornmeal, £8,234 (£16,451); wood headings, £7,025 (£3,878); machinery, all kinds, £6,186 (£12,898); paper, writing, wrapping, etc., £5,858 (£3,616); salted pork, £5,790 (£9,999); electrical apparatus, £5,113 (£7,973); hardware, £4,098 (£13,787); pitch pine, £2,910 (£36,629); nitrate of soda, £7,182 (£1,334).

#### IMPORTS FROM OTHER COUNTRIES

The following are the principal imports from other countries:—

*Argentina*.—Salted beef, £19,441 (£22,131 in 1939); corn and grain, £17,872 (£13,778); bran and pollard, £11,458 (£10,429); bacon and hams, £9,248 (£4,579); butter, £8,056 (£109); cornmeal, £8,993 (£5,624); canned meat, £4,692 (£4,688); oilmeal, £3,222 (£1,655).

*Japan*.—Apparel, £12,663 (£18,406).

*Venezuela*.—Crude petroleum and fuel oil, £19,797 (nil).

*Burma*.—Rice, £107,105 (£77,728).

*Holland*.—Condensed milk, £9,706 (£36,882).

*Newfoundland*.—Dried, salted and smoked fish, £36,241 (£42,307).

*India*.—Jute sacks, £37,320 (£44,664).

*Eire*.—Butter, £14,970 (£6,118).

#### IMPORTS FROM CANADA

For many years preceding the war the total annual imports from Canada varied in value between £200,000 and £300,000, although there was a general upward movement in the total import trade of the colony since 1930. In 1939, as a result of war conditions, a strong diversion of trade to Canada developed. Imports from the Dominion, therefore, moved strongly upward to reach a total value of £416,843 as compared with £271,968 in 1938, and in 1940 this movement was continued to reach a new peak of £582,146, an increase of £165,303 over the previous year's figure.

The largest increase was in the imports of foodstuffs from Canada which were valued at £259,864, accounting for 33·8 per cent of the total foodstuff imports as compared with 20 per cent, or £173,509, in 1939. Imports of manufactured products from Canada, valued at £194,419, made up 15·8 per cent of the total value of manufactured imports as compared with 10·4 per cent, or £124,692 in the previous year; while raw and semi-manufactured materials valued at £118,104 accounted for 47·3 per cent of the total value of imports in this classification as compared with £112,599, or 44 per cent in the preceding year.

Noteworthy increases occurred in the imports of a number of products, comparative values for 1940, with 1939 values within parentheses, being as follows:—

*Foodstuffs*.—Flour, £93,954 (£55,806); condensed milk, £11,646 (£159); cornmeal, £11,440 (£506); oilmeal, £23,725 (£13,770); potatoes, £10,410 (£7,430); lard, £3,997 (£1,140); baking powder, £1,000 (nil); unstemmed leaf tobacco, £3,627 (nil).

*Manufactured Products*.—Sulphate of ammonia, £21,712 (nil); wrapping paper, £13,165 (£1,091); leather boots and shoes, £12,249 (£3,734); printing paper, £8,534 (£1,750); apparel, £9,660 (£3,592); artificial silk piece-goods, £6,744 (£1,559); cotton manufactures, £5,756 (£572); cotton piece-goods first cost not exceeding 1s. per yard, £7,715 (£2,738); medicines and drugs, £7,105 (£3,129); cement, £6,497 (£3,916); refrigerators, £2,418 (£28).

There were decreases in the imports from Canada of oats, white pine lumber, shingles, metal furniture, sugar-making machinery, motor cars, motor trucks, paints and colours, and canned vegetables.



## DETAILS OF IMPORTS

The following are the principal items of interest to Canadian shippers, of which the value of imports from Canada in 1940 amounted to £1,000 or more in value, with values for 1939 within parentheses:—

## FOODSTUFFS

- Baking Powder*.—Total, £2,086 (£1,935): United States, £916; Canada, £1,000 (nil).
- Beer and Ale in Bottles*.—Total, 73,131 gal., £14,626 (112,185 gal., £16,828): United Kingdom, £13,664; Canada, £850 (£24).
- Biscuits, Unsweetened, in Tins*.—Total, £1,408 (£2,329): Canada, £954 (£1,854).
- Butter*.—Total, 490,306 lb., £29,418 (621,325 lb., £40,386): Eire, £14,970; Argentina, £8,056; Canada, £1,902 (£2,784).
- Oilmeal and Oilcake*.—Total, 8,266,844 lb., £42,023 (12,049,192 lb., £60,246): United States, £15,076; Argentina, £3,222; Canada, £23,725 (£13,770).
- Cattle and Animal Feeds, Other than Oats*.—Total, 1,871,239 lb., £4,990 (1,889,972 lb., £4,725): Trinidad, £2,414; Canada, £2,008 (£1,098).
- Cheese*.—Total, 91,193 lb., £4,559 (141,527 lb., £5,897): United Kingdom, £39; Canada, £4,508 (£5,319).
- Confectionery*.—Total, £5,820 (£6,386): United Kingdom, £4,654; Canada, £1,136 (£1,645).
- Canned Fish*.—Total, £8,396 (£12,029): United States, £1,180; Canada, £7,048 (£7,569).
- Fish, Dried, Salted or Smoked*.—Total, 33,002 qtl., £42,902 (42,637 qtl., £49,032): Newfoundland, £36,241; Canada, £6,661 (£6,412).
- Fresh Apples*.—Total, 1,320 bbl., £2,640 (599 bbl., £1,198): Canada, £2,602 (£838).
- Oats*.—Total, 4,355,255 lb., £18,510 (5,426,341 lb., £21,705): All from Canada.
- Flour*.—Total, 85,382 bags, £98,189 (91,544 bags, £100,698): Canada, £93,954 (£55,806).
- Maize or Cornmeal*.—Total 26,106 bags, £28,717 (28,236 bags, £22,589): United States, £8,234; Argentina, £8,993; Canada, £11,440 (£506).
- Farinaceous Products n.o.p.*—Total, £5,847 (£6,394): Canada, £4,139 (£3,622).
- Lard and Lard Substitutes*.—Total, 296,853 lb., £6,530 (374,613 lb., £8,241): United Kingdom, £2,117; Canada, £3,997 (£1,140).
- Bacon and Hams*.—Total, 291,092 lb., £14,554 (385,735 lb., £19,287): Argentina, £9,248; Brazil, £2,599; Canada, £1,777 (£1,756).
- Salted Pork*.—Total, 1,949,328 lb., £38,986 (2,404,751 lb., £42,083): United States, £5,790; Canada, £31,222 (£29,783).
- Condensed Milk*.—Total, 1,106,912 lb., £23,245 (2,599,311 lb., £38,990): Holland, £9,706; Canada, £11,646 (£159).
- Provisions, n.o.p.*—Total, £7,509 (£10,358): United Kingdom, £3,438; Canada, £2,835 (£1,800).
- Unmanufactured Tobacco, Unstemmed Leaf*.—Total, 122,718 lb., £6,647 (145,337 lb., £7,267): United States, £1,247; India, £1,764; Canada, £3,627 (nil).
- Onions*.—Total, 1,664,775 lb., £9,989 (2,176,316 lb., £10,881): Madeira, £1,808; Argentina, £1,445; Canada, £5,564 (£2,068).
- Potatoes*.—Total, 2,353,484 lb., £10,590 (3,252,722 lb., £13,010): Canada, £10,410 (£7,430).

## RAW AND MAINLY UNMANUFACTURED MATERIALS

- Douglas Fir, Undressed*.—Total, 1,314,744 ft., £12,489 (1,235,903 ft., £10,814): Canada, £11,324 (£10,814).
- Douglas Fir, Dressed*.—Total, 2,361,792 ft., £22,435 (2,357,169 ft., £20,623): Canada, £20,797 (£20,623).
- Other kinds, Undressed White Pine, etc., but not including Pitch Pine*.—Total, 3,421,190 ft., £34,212 (5,407,585 ft., £48,669): Canada, £33,690 (£47,189).
- Shingles*.—Total number, 14,277,600, £14,991 (19,690,456, £19,690): Canada, £14,950 (£19,169).

## MANUFACTURED PRODUCTS

- Socks and Stockings (First Cost not exceeding 1s. 6d. per Pair)*.—Total, £263,703 pairs, £7,880 (232,925 pairs, £5,188): Hongkong, £2,997; United Kingdom, £2,150; Canada, £2,732 (£1,278).
- Socks and Stockings (1s. 6d. to 2s. First Cost per Pair)*.—Total, 11,545 pairs, £1,212 (15,499 pairs, £1,564): Canada, £1,096 (£1,377).
- Socks and Stockings (First Cost exceeding 2s. per Pair)*.—Total, 19,339 pairs, £2,692 (14,482 pairs, £1,957): Canada, £2,514 (£1,878).



*Apparel n.o.p.*—Total, £38,303 (£49,467): Japan, £12,663; United Kingdom, £8,278; Hongkong, £5,885; Canada, £9,660 (£3,592).

*Cotton Piece-Goods (First Cost not exceeding 1s. per Square Yard).*—Total, 2,237,180 sq. yd., £66,885 (3,580,553 sq. yd., £79,682): United Kingdom, £55,087; Canada, £7,715 (£2,738).

*Other Cotton Manufactures.*—Total, £64,753 (£67,705): United Kingdom, £55,771; Canada, £5,756 (£572).

*Artificial Silk Piece-Goods (First Cost not exceeding 1s. per Yard).*—Total, 433,574 sq. yd., £16,749 (445,971 sq. yd., £14,929): United Kingdom, £8,210; Canada, £2,865 (£778).

*Artificial Silk Piece-Goods (First Cost exceeding 1s. per Yard).*—Total, 214,383 sq. yd., £16,538 (96,803 sq. yd., £7,465): United Kingdom, £10,075; Canada, £3,879 (£781).

*Electrical Appliances n.o.p.*—Total, £18,727 (£23,692): United Kingdom, £13,202; United States, £3,781; Canada, £1,305 (£696).

*Metal Furniture.*—Total, £4,678 (£10,994): United Kingdom, £2,896; Canada, £1,422 (£3,745).

*Refrigerators.*—Total number, 126, £3,899 (172, £3,864): United States, £1,364; Canada, £2,418 (£28).

*Hardware, Other than Hollow-ware, Cutlery, Implements and Tools.*—Total, £17,339 (£22,374): United Kingdom, £11,714; United States, £2,161; Canada, £2,419 (£568).

*Sugar Machinery.*—Total, £67,388 (£72,523): United Kingdom, £59,813; United States, £4,660; Canada, £2,915 (£17,493).

*Iron and Steel Bars.*—Total, £26,473 (£12,681): United States, £16,031; United Kingdom, £6,824; Canada, £3,597 (£2,249).

*Iron and Steel Nails and Rivets.*—Total, £6,151 (£7,837): United Kingdom, £1,026; Canada, £4,830 (£5,710).

*Wire and Wire Fencing.*—Total, £3,526 (£4,987): United Kingdom, £1,921; Canada, £1,484 (£390).

*Iron and Steel Manufactures n.o.p.*—Total, £31,998 (£29,600): United Kingdom, £25,308; United States, £1,825; Canada, £4,414 (£1,639).

*Motor Cars.*—Total number, 132, £19,645 (317, £48,046): United Kingdom, £14,156; Canada, £4,674 (£9,970).

*Motor Trucks and Vans.*—Total number, 54, £11,606 (125, £20,596): United Kingdom, £4,955; Canada, £6,417 (£9,646).

*Motor Car Parts.*—Total, £13,227 (£15,209): United Kingdom, £5,162; United States, £4,248; Canada, £3,813 (£2,789).

*Footwear, wholly or partly of Rubber.*—Total, 141,538 pairs, £12,051 (231,971 pr., £14,360): Hongkong, £5,797; India, £1,698; Canada, £4,181 (£3,292).

*Leather Boots and Shoes.*—Total, 108,775 pairs, £35,363 (150,954 pr., £37,457): United Kingdom £22,556; Canada, £12,249 (£3,734).

*Brooms and Brushes.*—£3,268 (£3,555): United Kingdom, £2,146; Canada, £1,067 (£816).

*Cement.*—Total, 21,230 bbl., £15,923 (37,861 bbl., £22,716): United Kingdom, £9,419; Canada, £6,497 (£3,916).

*Sulphuric Acid.*—Total, 306,901 lb., £6,395 (203,424 lb., £1,695): United States, £2,818; United Kingdom, £1,832; Canada, £1,745 (£9).

*Chemicals n.o.p.*—Total, £11,709 (£10,555): United Kingdom, £7,109; United States, £1,758; Trinidad, £1,008; Canada, £1,272 (£334).

*Glass Bottles.*—Total, £2,194 (£2,560): United Kingdom, £903; Canada, £1,231 (£1,072).

*Rubber Tires and Tubes for Motor Cars and Trucks.*—Total, £11,506 (£15,990): United Kingdom, £5,295; Canada, £6,076 (£8,291).

*Rubber Manufactures n.o.p.*—Total, £1,985 (£2,724): Canada, £1,132 (£958).

*Sulphate of Ammonia.*—Total, 12,785 tons, £185,062 (4,935 tons, £38,492): United Kingdom, £111,298; United States, £58,052; Canada, £21,712 (nil).

*Medicines and Drugs.*—Total, £25,676 (£22,962): United Kingdom, £14,540; United States, £3,365; Canada, £7,105 (£3,129).

*Paints and Colours.*—Total, 434,716 lb., £10,868 (657,835 lb., £16,446): United Kingdom, £9,213; Canada, £1,542 (£4,967).

*Printing Paper.*—Total, £10,768 (£6,410): United Kingdom, £2,045; Canada, £8,534 (£1,750).

*Wrapping Paper.*—Total, £22,672 (£10,231): United States, £4,482; Holland, £2,335; Canada, £13,165 (£1,091).

*Paper Manufactures, n.o.p.*—Total, £10,790 (£11,273): United Kingdom, £5,858; United States, £1,352; Canada, £2,661 (£1,718).

*Perfumery, Cosmetics, etc.*—Total, £8,436 (£10,672): United Kingdom, £4,441; United States, £1,530; Canada, £2,107 (£746).

*Fancy Soap*.—Total, £3,692 (£4,445): United Kingdom, £2,126; Canada, £1,342 (£1,236).

*Manufactured Wood and Timber n.o.p.*—Total, £7,156 (£7,645): United States, £2,651; United Kingdom, £1,763; Canada, £2,084 (£2,165).

*Manufactured Goods n.o.p.*—Total, £10,415 (£13,132): United Kingdom, £5,614; Canada, £2,630 (£2,605).

Following is a list of items, with total import values, of which supplies from Canada, indicated within parentheses, were less than £1,000 in value:—

Bran and pollard, £13,924 (Canada, £164); prepared cocoa, £9,007 (£276); prepared coffee, £1,169 (£589); extracts and essences (other than meat), £885 (£206); pickled fish, £1,345 (£852); pickled trout and salmon, £581 (£195); canned and bottled fruits, £1,647 (£448); corn, £13,357 (£130); barley, £529 (all from Canada); wheat, £171 (all from Canada); whole-meal flour, £283 (£224); beans and peas, £8,224 (£592); hay, £764 (all from Canada); jams, jellies and marmalades, £1,927 (£281); canned meat, £6,048 (£166); pickles, sauces and condiments, £2,791 (£369); refined sugar, £554 (£74); tea, £9,937 (£509); snuff, £795 (£570); canned vegetables, £693 (£591); plants, seeds and bulbs for planting, £511 (£236); headings, £7,557 (£532); hoops, £1,319 (£241); wholly or partly dressed timber, £332 (£256); empty bags and sacks exceeding 40 inches by 20 inches, £37,690 (£250); cordage, £4,115 (£961); twine, £2,498 (£673); cotton piece-goods exceeding 1s. per yard, £8,281 (£933); soft haberdashery, £6,230 (£803); wool and woollen manufactures (except apparel), £21,799 (£566); buckets, pails and tubs, £1,538 (£132); cutlery, £1,250 (£138); hollow-ware, £3,654 (£150); implements and tools n.o.p., £2,880 (£147); oil-mining machinery, £714 (£167); printing machinery, £2,103 (£193); galvanized sheets, £12,205 (£255); photographic appliances (other than films), £1,450 (£505); plate and plated ware, £720 (£243); typewriters and parts, £996 (£589); travelling bags and trunks, £1,707 (£722); blacking and polishes, £3,800 (£548); printed books, £4,846; (£151); lamps, chimneys and table glassware, £2,547 (£734); hard haberdashery, £2,672 (£380); hats and bonnets, £15,681 (£951); ink for printing, £860 (£703); dressed and undressed leather, £4,237 (£180); oilcloth and linoleum, £1,426 (£954); lubricating oil, £11,989 (£338); polishes and varnishes, £1,584 (£307); turpentine, £954 (£146); writing paper, £4,061 (£631); stationery other than paper, £4,043 (£685); sports goods and accessories, £1,216 (£143); toys and games, £1,369 (£376); wooden furniture, £4,252 (£958); spars and sweeps, £598 (all from Canada).

## OLIVE INDUSTRY OF CALIFORNIA

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, December 23, 1941.—Olives were first introduced into California by the Franciscan missions in 1769 and are now grown extensively throughout the state, principally in the Sacramento Valley, the San Joaquin Valley and many of the counties of Southern California. Despite the fact that olives have been known to man for centuries, it remained for California only forty years ago to discover that ripe olives could be canned successfully like other fruits. Prior to that time they could only be procured green, pickled in brine. Canned ripe olives are now regarded as a relish as well as an appetizer, and they also are a good source of vitamin A. The emphasis in California's olive industry is therefore on the production of canning-type olives, and in this product the state enjoys a world monopoly, as they are not produced elsewhere. The olive groves of the state have fortunately remained free from the "olive fly," a serious pest in virtually all the important olive-producing centres of the world, which necessitates the picking of the fruit when green, as the ripe fruit is spoiled by the fly.

## VARIETIES

Of the five principal varieties, the Mission and Manzanillo are preferred for canning, possess a high oil content and are the smallest in size. The other varieties—Sevilano, Ascolano and Barouni, or so-called "Queen"—have a low oil content, but are also valuable for canning and account for one-fourth of the total canned pack. The Mission variety represents 50 per cent of the total acreage, the Manzanillo 20 per cent with a high yield per acre, and the "Queen"



the remainder. The size classifications for olives are: the small, select or standard, which average 135 olives to the pound; medium, 113; large, 98; extra large, 82; mammoth, 70; giant, 53-60; jumbo, 46-50; colossal, 36-40, and super-colossal, 32. Each can of ripe olives is clearly labelled, showing the size and approximate number of olives in the can.

### PRODUCTION

Although the producing area has declined from the peak of 29,047 acres in 1928 to 23,647 acres in 1940, because of the greater yields from individual trees as they attain maturity, production over the past five years has increased to nearly three times the 1923-26 average of 12,000 tons, with a low of 23,000, a peak of 60,000 and an average of 36,000 tons. On an average about one-third of each crop is canned ripe, 49 per cent processed for oil, and 18 per cent used for the specially treated products.

Indications are that California will supply 40 per cent of the United States consumption of olive oil from the 1940-41 production, which reached an all-time high, as against 5 per cent in previous years. California has been consuming most of her domestic production, but in high production years some quantities are shipped to other states. Much of the domestic oil is blended with European oils and loses its identity as a California product. Fish canneries use large quantities of the local product for packing purposes.

### PRICES

The high prices which California receives for her domestic canned ripe olives enabled the industry to survive the severe competition from imported green olives and olive oil. Although California olive oil is of high quality, prices for domestic oil olives are generally too low for profit. With the elimination of foreign sources of supply owing to the war, the market price has now advanced to about four times the pre-war level, and Americans are becoming better acquainted with their own product.

The estimated farm-value of the olive crop for 1940 reached a new high of \$4,000,000, exceeding the previous five-year average by 125 per cent. .

### IMPORTS

As indicated elsewhere in this report, California's production takes care of only a fraction of domestic requirements. There has therefore been no export of California olive products to date. The import statistics that follow will suggest the magnitude of the market in this country and hence the great opportunity for expansion which is afforded the California industry.

In the calendar year 1940 the United States imported 7,487,000 gallons of green olives and 6,581,000 gallons of olive oil as compared with 6,390,000 and 8,261,000 gallons, respectively, in 1939. The 1934-38 average was 6,208,628 gallons of green olives and 7,734,000 gallons of olive oil. Spain was the principal source of olives in brine, and Italy and Greece were the principal sources of olive oil. Since the outbreak of war in 1939, supplies from Italy and Greece have been severely curtailed and will now be entirely shut off.

Imports of olive oil foots, or sulphur olive oil, averaged 3,464,388 gallons during 1934-38 calendar years, of which approximately 80 per cent was used in the manufacture of soap. About 1,000,000 gallons of denatured olive oil is also imported yearly for use principally in soap manufacturing and also in boiling off silk and in pharmaceutical preparations; finishing, dressing and tanning leather; cutting oils; dyeing and printing textiles; and oiling wool for spinning and weaving. The principal countries supplying inedible oils during



recent years were Spain, Algeria and Tunisia, and Greece. Local production is practically negligible.

#### 1941 CROP OUTLOOK

Only a fair production is estimated for the 1941 season's crop—from 36,000 to 39,000 tons—but prices are expected to be considerably higher than a year ago, and growers will benefit considerably.

### POINTS FOR EXPORTERS TO VENEZUELA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, December 6, 1941.—The Republic of Venezuela comprises the northeastern section of South America. It is the sixth country in South America in size, with an area of 352,051 square miles, or some 60,000 square miles less than the Province of Ontario. It is bounded on the south by British Guiana and Brazil and on the west by Colombia. The country is divided into twenty autonomous states, a Federal District with Caracas as the capital city, and two other federal territories.

#### TOPOGRAPHY

There are four distinct geographic regions in Venezuela: the northeastern range of the Andes, which extends up from Colombia and along the north coast of Venezuela, surrounding the Maracaibo basin and separating the llanos or plains from the sea; the Maracaibo Basin, or the low-lying region surrounding Lake Maracaibo; the great central llanos or plains; and the Guiana Highlands, covering the southeastern portion of the country south and east of the Orinoco River.

The Orinoco River, flowing from west to east across almost the centre of Venezuela and emptying into the Atlantic, affords an effective means of transportation into the interior, but, except for some balata, gold and hides, the area it serves is comparatively unproductive. Ciudad Bolivar is the principal centre and port on the Orinoco and lies near the mouth of the river. Coastal steamers ply from Ciudad Bolivar around the northern coast, and several steamship lines operate to Port of Spain, Trinidad.

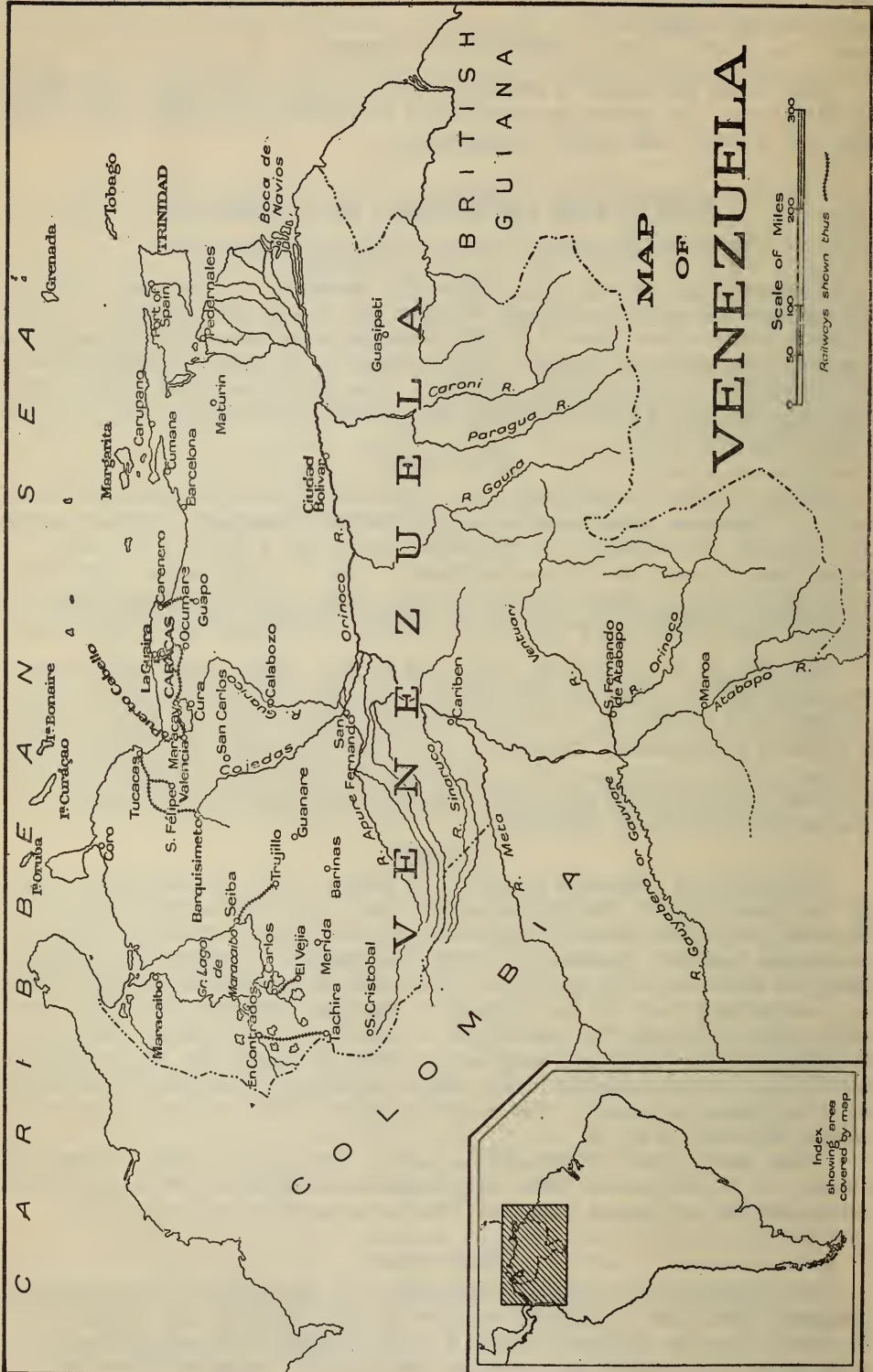
#### CLIMATE

The climate of Venezuela is tropical; in general it may be described as spring all the year round. The temperature varies from 40° to 90° Fahrenheit. However, despite the fact that Venezuela lies immediately north of the equator, the climate is more a question of altitude than latitude. Caracas, the capital, at 3,000 feet above sea-level, enjoys a very equable climate, with an annual average temperature of 67° F. At an elevation of less than 2,000 feet the mean annual temperature is between 75° and 95° F. This range would include the ports of Maracaibo, where the annual temperature is 85° F., La Guaira, Puerto Cabello and Ciudad Bolivar, and such inland centres as Maracay and Valencia and many other less important towns. The cold zone, above 6,500 feet, has temperatures ranging from 40° to 50° F.

There are only two seasons in Venezuela: winter, or the rainy season, and summer, or the dry season. The rainy season extends from April-May through November; the dry season lasts from December through April-May.

#### POPULATION

The population of Venezuela, according to the 1936 census, is approximately 3,500,000 (3,491,159), principally persons of mixed Spanish and Indian blood. The white Spanish population forms a small minority. A high percentage of negro blood is found in that section of the population adjacent to the coast.



### PURCHASING POWER

The purchasing power of approximately 80 per cent of the population is small, and purchases are limited to bare necessities. This percentage includes those employed in agricultural and pastoral pursuits, the principal occupations of the country.

In Caracas, Maracaibo and a few other cities the standard of living is much higher than in the remainder of the country, but living costs are excessively high due to the necessity of importing a large percentage of foodstuffs, clothing and other essentials. Consequently the market for luxury and semi-luxury goods is limited.

### COMMERCIAL CENTRES

The bulk of the population is centred in a relatively small area along the north coast. The interior is thinly populated and purchasing power is negligible. Venezuela may be divided into three principal commercial districts as follows:—

*Caracas and District.*—Caracas, the capital, with a population of 203,342, is the principal commercial and financial centre of Venezuela. It is connected by a paved highway (22 miles) and a railway with the principal port, La Guaira. Caracas is 3,000 feet above sea-level and enjoys an excellent climate. The main offices of the banks are in this city, as are also the largest commercial firms. Many of the latter are both importers and exporters and have branch offices in other centres.

Caracas serves the principal agricultural area of Venezuela. From it an excellent paved highway extends westward through fertile valleys to Maracay (66 miles), Valencia (96 miles), and Puerto Cabello (127 miles). Branching off from this road is also a fairly good road to Barquisimeto, and it is also possible to drive through Maracaibo.

Maracay, with a population of 29,759, is the capital of the State of Aragua. The industries are agriculture, cattle raising, dairying, meat packing, and the manufacture of textiles and paper.

Valencia is the capital of the State of Carabobo. It is the third largest city in Venezuela and has a population of 49,214. Agricultural products of this area are coffee, cocoa and sugar. The industries consist of hat factories, tanneries, cotton mills, sawmills, cigarette factories, sugar mills and cattle raising.

Puerto Cabello, with a population of 22,213, has an excellent harbour.

*Maracaibo and District.*—Maracaibo is the capital of the State of Zulia. Its climate is the hottest of the larger cities, the average temperature being 86° F. With a population of 110,000, it is the second centre of importance in Venezuela and serves the important oil field located in and around Lake Maracaibo. In addition to petroleum, coffee, cocoa and sugar, this district produces dairy products and woods. Maracaibo is also the port of entry for the Cucuta district in Colombia.

*Ciudad Bolívar and District.*—This is the third commercial district. Ciudad Bolívar is the capital of the State of Bolívar and has a population of 25,134. The city is located on the right bank of the Orinoco River some 260 miles from its mouth. As stated above, the trade of the interior plains is handled through this city. The principal products are gold, diamonds, balata, chicle, cattle, tonka beans, alligator skins, and woods. Imports largely enter from Port of Spain, Trinidad, 300 miles away, there being regular steamship services operating between the two ports.

### INDUSTRIES

Venezuela is essentially an agricultural country. While the republic is one of the largest oil-producing countries in the world, the effect of this industry on the purchasing power of the people can easily be overestimated. The number



of labourers employed in the production of oil is comparatively small, and the industry is principally important on account of the royalties paid to the Government. Due principally to this revenue, Venezuela has excellent roads and no foreign debt.

*Agriculture.*—Coffee and, to a lesser extent, cocoa are the principal agricultural products. Sarrapia, balata, rubber, coconuts, aloes, resin, timber, sugar, cotton, wool, silk, alcohol and fibres are also produced. Venezuela has 545,000 acres of land devoted to the cultivation of coffee, comprising 30,000 plantations and about 140,000,000 trees. Stock raising is also important, and a considerable quantity of hides and skins is available for export.

Sugar production meets domestic requirements, and a surplus is available for export. Tobacco is grown and is used in the domestic manufacture of cigarettes and cigars. Cotton production meets the greater part of the requirements of the local mills manufacturing the cheaper grades of textiles.

The dairy industry is centred around the city of Maracay. Milk, cream, butter and cheese are supplied to Caracas, Valencia and the other towns in the district. The demand for imported dairy products is limited, except to some extent for Maracaibo. Cattle raising is the most important domestic industry, and the country is particularly well suited to the production of beef on a large scale. Transportation is the principal difficulty. There is no import market for meat products.

Wheat is not grown in commercial quantities in Venezuela, and until recently there were no flour mills but several are now under construction; hence all the requirements in flour are met by imports. Nearly every variety of vegetable is available locally, although all seed potatoes and some table potatoes are imported.

*Oil.*—Maracaibo is the principal centre of production of oil, the bulk of which is refined in the Netherlands West Indies on the islands of Curacao and Aruba. Another oil field in eastern Venezuela is now producing substantial quantities also.

*Manufacturing Industries.*—The comparatively small population of Venezuela does not offer encouragement to the development of manufacturing. The established industries, however, are highly protected. Cotton spinning and weaving is the principal industry, also the manufacture of cotton and artificial silk hosiery, although the latter products are also imported. Shoes are all made locally, and the import duties thereon are prohibitive. Other manufactured lines include cigars, cigarettes, wrapping paper, beer, mineral waters, soaps and perfumes, furniture, chocolate, and cement.

#### COMMUNICATIONS

Since the chief centres of population are adjacent to or on the coast, the difficulties of internal communications are not great. The highways are excellent, and paved roads connect many of the principal cities. There are five railways, foreign owned, but, since they are now nearly all paralleled by roads, they are mostly in a difficult position financially. The street railway in Caracas and the telephone system are British controlled. The electric power company in Caracas is American, and in Maracaibo is Canadian owned. There are at present no direct steamship services between Eastern Canada and Venezuelan ports. Shipments may be made via Canadian National Steamships, with transshipment at Port of Spain, or via New York. Under present conditions it is recommended that shipments to Maracaibo, Puerto Cabella and La Guaira from Eastern Canada be made via New York. Shipments to Ciudad Bolivar are made via Port of Spain, Trinidad, for transshipment at that port. From Western Canada merchandise will in most cases have to be transhipped at the Canal Zone.

## DOCUMENTATION

Two copies of the bill of lading viséd by the Venezuelan Consul and two signed copies of the consular invoice are required by the Customs so that for all freight shipments the documents required are: six copies of the consular invoice; four copies of the bill of lading; two copies of the certificate of origin duly signed by the shipper and his Chamber of Commerce; and four copies of the commercial invoice duly viséd. Sanitary and health certificates are also required in specific instances, such as for foodstuffs. When payment is to be made by purchase of official exchange under present exchange control regulations, a copy of the import permit must accompany the original documents.

Merchandise shipped by parcel post from Canada to Venezuela requires four copies of the official Canadian Customs Declaration Form 15 B and two of the Despatch Note Form 16 B. Only these official forms are acceptable to the Venezuelan Customs authorities, and their omission results in fines being imposed. The forms should be made out in Spanish; they do not require consular legalization.

Great care should be taken when completing documents covering shipments to Venezuela, and any instructions given by the importer must be followed in detail. A leaflet giving further particulars of the requirements may be obtained on application to the Department of Trade and Commerce, Ottawa.

## MARKING OF PACKAGES

Packages of the same class, size, shape, weight, and contents may be indicated by the same mark and one number in a single item; otherwise two or more packages bearing the same marks must not be included in the same invoice. There may also be included in a single item, with different numbers, various packages with the same contents although of different weights, if the weight of each package and the total weight of the lot is specified in the text of the declaration.

When a package contains articles subject to different rates of duty or which come under different tariff classifications, the net weight of each must be shown and the gross tare. Otherwise the whole contents are subject to the highest rate of duty applicable to any part of the contents.

## COMMERCIAL TRAVELLERS AND SAMPLES

Commercial travellers are not subject to any restrictions other than those for ordinary travellers. Passports must be viséd at the last port of embarkation for Venezuela, i.e. if the journey is broken at Trinidad, a visé obtained at Montreal is not valid. Certificates of vaccination and of physical and mental fitness viséd by the consul are required. A deposit of 500 bolivars is required on entry, which is returnable on leaving Venezuela.

Samples of no commercial value up to 25 kilos in weight enter free of duty; samples of this class in excess of 25 kilos are dutiable at 0.25 bolivar per kilo. Samples of commercial value are admitted free of duty subject to a bond to guarantee their re-export within one year. There is no provision for a refund of duties paid. Catalogues are free of duty, but the term is strictly interpreted. Pamphlets and advertising matter, including calendars, are dutiable. Samples may be brought into the country under consular invoice or in the baggage of passengers and may be re-exported through any customs house of the Republic.

## CREDITS

Normally it is necessary for exporters to be prepared to grant credits in Venezuela. The large importers and wholesale houses extend long-term credits in the interior in anticipation of the coffee crop, and they in turn are accustomed



to obtaining credit from abroad. Under present conditions, however, most goods can be sold on the basis of sight draft on arrival of goods.

Quotations should be c.i.f. Venezuelan port, or failing this, f.o.b. steamer New York. F.o.b. factory prices are useless, as the importer has no way of determining the delivery charges to New York and consequently cannot ascertain the c.i.f. cost, which he must have before ordering.

All bank and collection charges should be included in the original quotations, as importers refuse to pay these if they are shown separately on the invoice.

Discounts should always be indicated for cash before shipment, and the banks should always be consulted before granting credits.

### BANKS AND CURRENCY

In addition to the local banks there are several foreign banks in Venezuela: Royal Bank of Canada, with offices in Caracas, Maracaibo and Ciudad Bolivar; Bank of London and South America; and National City Bank of New York.

The monetary unit is the bolivar of 100 centimos. At current exchange, 3.35 bolivars equal one United States dollar.

### PACKING

Packing should be as light as possible consistent with adequate protection, as duties are levied on gross weight. The facilities for handling cargo at Venezuelan ports are modern and, as inland transportation facilities are adequate, no other special care is necessary unless definite instructions are received.

### CUSTOMS TARIFF

The import duties are generally high and are levied on the gross weight, that is, the weight of all packing material is included in the dutiable weight of the goods. With the exception of a limited range of commodities that are protected, duties are levied for revenue purposes.

A surtax of 30 per cent is levied on all merchandise imported from the West Indies.

Supplies and material imported for use by the oil companies are admitted free of duty.

### ADVERTISING

The local newspapers are the principal advertising media, and several have a wide circulation throughout the country. Billboards are widely used in the cities, and radio broadcasting through the local station in Caracas is becoming increasingly important. Advertising is very important in Venezuela, and the best selling proprietary brands of foodstuffs, medicinal products, toilet articles, liquors, etc. have been established on this basis. Advertisements and advertising materials should be designed to appeal to the illiterate.

### REPRESENTATION

For many years the large export firms in Venezuela practically controlled the import trade, but in recent years there has been a decided trend among smaller firms to import direct, so that to-day it is advisable to appoint a resident manufacturer's representative or agent to obtain the best results. In most cases it is not recommended that exclusive representation be given to one agent for the whole of Venezuela, as few agents personally cover the whole country; they work the area in which they reside and appoint sub-agents in the other centres. This is not as satisfactory as having direct agents, one located in Caracas, another in Maracaibo and in some instances a third in Ciudad Bolivar.



## GENERAL

The metric system of weights and measures is in use in Venezuela. In preparing documents, it is essential for exporters to adopt this system.

Spanish is the official language and should be used if possible in correspondence unless there is good reason for believing that English will be understood.

The parcel post services are used more extensively by exporters to Venezuela than to the majority of the other countries in this area.

Air-mail services may be used to advantage in mailing letters for Caracas or Maracaibo. There is a direct express service between the United States and Barranquilla, Colombia, and a connecting service between Barranquilla and Port of Spain, Trinidad, with stops at Maracaibo and La Guaira for Caracas. Consequently air mail may be forwarded either via Barranquilla or Port of Spain. Travellers may also use this service to advantage.

Interested Canadian exporters might well give consideration to the possibility of adding Caracas, and possibly Maracaibo, to their itineraries when visiting the West Indies.

## AMENDMENTS TO FOREIGN EXCHANGE CONTROL REGULATIONS

Under Orders in Council P.C. 10064 and 10065 of December 24, 1941, several amendments were made to the Foreign Exchange Control Order and the Foreign Exchange Acquisition Order, 1940, to come into force on January 2, 1942. The purpose and effect of the principal changes thus made in the Orders and Regulations is to simplify routine and eliminate or reduce the use of licence and permit forms, particularly in connection with transactions between Canada and countries in the sterling area.

The changes of direct and indirect interest to Canadian exporters, as summarized in Public Circular No. 16 of the Foreign Exchange Control Board, are as follows:—

## STERLING BANK ACCOUNTS

Residents of Canada are no longer required to sell to the Board sterling coming into their possession, ownership or control. Any resident (whether an individual or a company) may operate a sterling bank account either in Canada or in a country in the sterling area and deposit therein his receipts of sterling and make disbursements therefrom for any of his own expenditures in the sterling area. No permits from or reports to the Board are necessary. Any resident desiring to buy or sell sterling for Canadian dollars must, however, do so only through an Authorized Dealer.

## STERLING REMITTANCES

Any person may purchase sterling from Authorized Dealers and other agents of the Board for the purpose of making remittances to countries in the sterling area in any amount and for any purpose without the necessity of completing any permit forms.

(Permit forms are still necessary for sales of sterling to an Authorized Dealer in amounts in excess of £100 and for purchases and sales of sterling for forward delivery.)

## CANADIAN DOLLAR REMITTANCES TO THE STERLING AREA

No permits are necessary for residents of Canada to make payments in Canadian dollars to residents of the sterling area, whether by cheque or otherwise. It is desirable, however, that cheques issued in favour of residents of the sterling area be marked by an Authorized Dealer before being sent abroad to indicate that the payees are residents of the sterling area and that no permit is therefore necessary.

## IMPORTS OF GOODS FROM THE STERLING AREA AND NEWFOUNDLAND

No import licence on the Board's Form E is required for goods imported direct to Canada from Newfoundland or any part of the sterling area or for goods originating in Newfoundland or the sterling area which are imported into Canada from other countries.

**EXPORTS OF GOODS TO THE STERLING AREA AND NEWFOUNDLAND**

Exporters who do not hold special permits granted by the Board are required to complete only four copies of the combined Customs Export Entry and Board's Licence Form B-B13 for exports to the sterling area and Newfoundland, instead of the five copies required heretofore. (The copy of the form which was formerly sent to the exporter's bank is eliminated.) Special permit holders have completed four copies in the past and will continue to do so.

**PAYMENTS FOR IMPORTS FROM COUNTRIES OUTSIDE THE STERLING AREA**

Permits on Form F or Form G are not required for purchases of U.S. dollars from an Authorized Dealer or for transfers of Canadian dollars for the purpose of making individual payments not exceeding \$100 U.S. or its equivalent for goods which have actually been imported into Canada, provided the importer produces to his Authorized Dealer the relative import licences on the Board's Form E or other evidence of the importation. This exemption was formerly \$25 U.S.

The Board is now having its bulletin on Exports of Goods revised in accordance with the amendments to the regulations and the text of the revised bulletin, when received, will be published in the *Commercial Intelligence Journal*. The text of the bulletin on Exports of Goods as last revised appeared in the issue of August 30, 1941.

**TRADE COMMISSIONER ON TOUR**

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima (whose territory includes Chile, Ecuador and Bolivia), in continuance of his tour of Canada for the purpose of meeting exporters interested in trade with his territory, will be in Vancouver and Victoria from January 12 to 17.

Firms wishing to be brought in touch with Mr. Vechsler should communicate with the Canadian Manufacturers Association.

**CONTROL OF EXPORTS FROM CANADA****ADDITIONS TO LIST OF PRODUCTS FOR WHICH EXPORT PERMITS ARE REQUIRED**

Under Order in Council P.C. 10151 of December 31, 1941, the following items are added as from January 12, 1942, to the list of commodities which may not be exported from Canada except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

**GROUP 3—FIBRES, TEXTILES AND TEXTILE PRODUCTS**

Rags and waste of all kinds, composed wholly or in part of cotton, rayon, silk or wool, not elsewhere specified.

**GROUP 5—IRON AND ITS PRODUCTS**

Automobiles, passenger, chassis and engines therefor.  
Motor truck and bus chassis.

**TARIFF CHANGES AND TRADE REGULATIONS****Ireland****ADDITIONAL QUOTAS FOR MOTOR CARS, BROOMS, FOOTWEAR AND OTHER GOODS**

Mr. E. L. McColl, Canadian Government Trade Commissioner in Dublin, advises that, by eleven Orders of the Government of Eire, all dated November 26, 1941, quotas have been fixed as follows for importation into Eire of the articles mentioned below during the periods indicated:—

**PERIOD FROM JANUARY 1 TO DECEMBER 31, 1942**

Completely or substantially assembled motor-car chassis, with body or with body shell attached: 120 articles, as against a similar number for the previous twelve months.



Completely or substantially assembled motor-car chassis, without body or without body shell attached: 60 articles, as against 40 articles for 1941.

Completely or substantially assembled motor-car bodies, or body shells, imported otherwise than attached to chassis: 60 articles, which is the same amount as that for the previous twelve months.

Mechanically propelled bicycles: 12 articles, as against the same amount for the previous twelve months.

Certain motor-car body parts: 10 articles, similar to that fixed for the previous twelve months.

Brushes, brooms and mops for domestic or household use: 190,000 articles, as against 95,000 articles for the preceding twelve-month period.

Brushes for human and personal use: 184,000 articles, as against 92,000 articles for the twelve months of 1941.

Other brushes, brooms and mops: 328,000 articles, as against 164,000 articles for the previous twelve months.

#### PERIOD FROM JANUARY 1 TO JUNE 30, 1942

Ladies' felt hats (under 14s. 11d. each): 80,000 articles, which is the same as that fixed for the preceding six months.

Leather boots and shoes: 1,000,000 articles, as against 500,000 articles for the previous three months.

Metal screws (slotted heads and tapered threads): 50,000 gross, of which 48,000 gross must come from the United Kingdom or Canada. The amount of the previous six months' quota was 110,000 gross, of which 108,000 gross were allocated to the United Kingdom or Canada.

### Australia

#### IMPORT LICENCES NOT TO BE ISSUED FOR CERTAIN GOODS

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cabled on January 3 that until further notice Australian import licences would not be issued for shipments from non-sterling sources of the following goods:—

Salmon preserved in tins; natural sausage casings; cotton piece-goods (not knitted, lock-stitched, nor containing artificial silk or wool); cotton piece-goods for use in manufacturing shirts, leathercloth, rubbercloth, undyed sheetings and other specified articles; calico for bag making; cotton piece-goods for cutting up for the manufacture of handkerchiefs, serviettes, table-cloths, window-blinds; piece-goods (except those predominantly of silk) having a nap finish, for the manufacture of apparel; piece-goods of artificial silk or containing artificial silk; lampwicking, candlewicking and cotton piece-goods in widths not exceeding one inch; piece-goods known as organdie; cotton material for tires; unspecified wire and woven wire over 120 holes to the inch; electrical apparatus, including circuit breakers and switch units, for voltages above 15,000, lightning arresters for power station use, voltage regulators, relays, liquid slip regulators, electrically operated thrusters and time switches; unspecified switches, fuses, lightning arresters, cut-outs, choke coils and relays; dynamo electric machines, but not including replacement parts, viz.: alternating current machines of induction type and variable speed commutator type, alternators, converters, direct current and universal machines such as traction motors, motors or machines suitable for use with gearless lifts, generators for use with steam or water turbines, totally enclosed direct current mill-type motors, unspecified dynamo electric machines; static transformers and induction coils, but not including replacement parts; filament lamps for lighting and heating; unspecified dry colours; hand tools wholly or principally of metal and hand tools prescribed by by-laws, but not including hand tools as replacement parts for motor vehicles, tractors or agricultural machinery; bronzing and metal powders; essential oils, non-spirituous; materials used in the manufacture of perfumes, viz.: fat containing extract of flowers



and essential oils; calcium and cellulose acetate; insulating paper and board, white tissue for the manufacture of crepe paper; pressed metal panel for motor vehicle bodies; synthetic resins; rosin.

### **Southern Rhodesia**

#### **IMPORT PERMITS REQUIRED FOR ALL GOODS**

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, cables that new Southern Rhodesia import control regulations, which became effective on January 1, require import permits for all goods ordered after December 24 from all countries. Hitherto only a limited number of foodstuffs have been subject to import licensing from all countries but a more extensive list of goods has been subject to control when imported from non-Empire sources.

### **St. Vincent**

#### **IMPORT PROHIBITIONS**

In accordance with the general policy of restricting the importation of non-essential articles into the British West Indies, the Competent Authority of St. Vincent issued an order on October 31, 1941, prohibiting the importation of a number of articles except from other British West Indian colonies. The articles included in the new prohibited list are the same as those in the Grenada prohibited list which was published in *Commercial Intelligence Journal* No. 1070 (November 1, 1941), page 531.

### **Cuba-United States**

#### **SUPPLEMENTARY TRADE AGREEMENT**

A supplementary trade agreement between Cuba and the United States was signed on December 23, 1941. It supplements the trade agreements of August 24, 1934, and December 18, 1939. As in the case of the former agreements, the new one is an exclusive, preferential arrangement between the two countries, so that any tariff reductions contained therein are not extended by either country to third countries. Cuban concessions to the United States involve 38 tariff items and include increased preferences for the following goods of United States origin: tires and tubes; certain fresh, dried and preserved fruits; certain fresh vegetables; canned soups (except tomato); certain canned vegetables; industrial starches and feculas; certain sauces and salad dressings; automobile and truck parts and accessories; chewing gum; cider and grape juice; and metal office furniture. United States concessions to Cuba include increased preferences on sugar and molasses, tobacco and cigars, and fresh, chilled or frozen beef and veal.

### **Argentina**

#### **IMPORT REGULATIONS AND QUOTAS**

Mr. J. A. Strong, Canadian Trade Commissioner in Buenos Aires, writes that Argentine import regulations were so amended on December 17 that the number of articles subject to quota restriction is now limited to radio valves, vacuum cleaners and certain cotton textiles, as compared with a long list of articles the import of which had previously been restricted in this way. The quota for 1942 on radio valves is fixed at 110 per cent of the average imports from any country during the 1939-40 period. On vacuum cleaners the quota is 100 per cent of 1941 imports from each country. Exchange for permitted imports of these articles may be purchased at the rate of 4.21 pesos to the United States dollar.

Of the goods which had previously been subject to quotas the following may now be freely imported from all countries and payment made at 4.21 pesos to the U.S. dollar: unplanned spruce and pitch pine, amplifying valves, horsehair tissue for sieves, certain cotton textiles, linen textiles, natural silk textiles, burlap, silk ribbons, lace and braid. The following goods which were not previously

admissible to Argentina from countries in the dollar area, or which were admissible only on a quota basis, may now be imported subject to exchange being purchased at the public exchange auctions: codfish, stockfish, toys, dolls, baby carriages, rubber gloves, and articles of plain white earthenware. The following goods may only be admitted if requisitions for clearing them have been presented before August 31, 1942: coffee, felts (except for hats), certain wool textiles, artificial silk textiles, cotton and wool thread.

### **Ecuador**

#### **CERTIFICATES OF ORIGIN MAY BE ISSUED BY BOARDS OF TRADE**

Mr. W. G. Stark, Assistant Trade Commissioner at Lima, writes under date December 10, 1941, that with reference to the report published in *Commercial Intelligence Journal* No. 1974 (November 29), page 643, regarding certificates of origin requirements for shipments of Canadian merchandise to Ecuador, advice has now been received from the Director General of Commerce, Ministry of Foreign Affairs, at Quito, that certificates issued by Boards of Trade in Canadian cities will be acceptable to the Ecuadorean Customs.

As mentioned in the previous report, there is no official text for the certificates of origin, which can also be issued by the Chamber of Commerce at the point of origin of the goods. The date of the certificate of origin, however, must be prior to the date of shipment, and it should certify that the goods in question have been produced or manufactured in Canada. The certificate may be drawn up in English, Spanish or French and one copy is necessary for Ecuadorean Customs purposes.

### **Peru**

#### **INCREASE IN DUTIES EFFECTIVE**

With reference to the article in *Commercial Intelligence Journal* No. 1966 (October 4, 1941), page 404, with regard to a proposal to increase all Peruvian import tariff rates, except those on foodstuffs, by 20 per cent, Mr. W. G. Stark, Assistant Trade Commissioner in Lima, cables that this increase has been put into effect as from December 22.

### **El Salvador**

#### **CUSTOMS DUTY ON NEWSPRINT**

Mr. A. B. Muddiman, Canadian Trade Commissioner in Mexico, writes that under a Salvadorean decree of November 14, 1941, newsprint, white or coloured, neither sized nor glazed, in rolls, is made duty free. Newsprint in sheets continues to be dutiable at U.S.\$1.20 per 100 kilograms (220.4 pounds).

### **Bolivia**

#### **DUTIES ON GASOLINE AND KEROSENE STOVES REMOVED**

Mr. W. G. Stark, Assistant Trade Commissioner at Lima, writes that under a Bolivian law passed October 2, 1941, gasoline and kerosene stoves, furnaces, ovens and heaters are made free of customs duties when imported into Bolivia. Previously such products, when of iron or steel, were dutiable at 0.25 boliviano per kilogram plus 250 per cent of the duty (about 96 cents per 100 pounds) and, when of copper or its alloys, at 1 boliviano per kilogram plus 400 per cent of the duty (about \$5.45 per 100 pounds).

#### **DUTY-FREE ENTRY FOR AVIATION EQUIPMENT**

Mr. W. G. Stark, Assistant Trade Commissioner at Lima, writes that a Bolivian decree of June 20, 1941, provides for the entry into Bolivia, free of customs duty, of the following goods imported for the exclusive use of aviation companies: airplanes for the transport of passengers and cargo, with their



equipment, spare parts, tools and installations; accessories in general for air-planes and airplane motors; trolleys for the transport of equipment, batteries and tools; omnibuses for the transport of passengers to airports; tractors, accessories and equipment for the construction, repair and maintenance of run-ways; subterranean and aerial wires for high tension current, for bells, for illumination and for transformers; radio battery chargers; electric generating equipment for airports; complete radio-telephone and radio-telegraph equipment, their accessories and tools; meteorological apparatus; portable and fixed fire extinguishers and charges therefor; propellers and accessories; gasoline dispensing apparatus and motors, valves, pipes, hose, tanks and meters therefor; aviation gasoline; lubricating oils and greases; liquids for brakes, paint removing, cleaning and polishing; utensils for airports such as scales, counters, special labels and forms for the classification of cargo and air mail; forms and tickets with printings of the aviation company; advertising material; overalls and uniforms for the exclusive use of the company's personnel; tow, waste and rags for cleaning air-planes and motors.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 5, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Jan. 5, 1942, and for the week ending Monday, Dec. 29, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 29	Nominal Quotations in Montreal Week ending Jan. 5	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2617	.2603	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5872	.5872	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

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## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE,

L. D. WILGESS, DEPUTY MINISTER





## SHIPPING PRIORITIES COMMITTEE ESTABLISHED

With a view to facilitating Canada's war program there has recently been established in the Department of Trade and Commerce, under the War Measures Act, a special organization, named the Shipping Priorities Committee, to deal with the problems of shipping space for Canadian imports and exports. It will report when required to the Minister of Trade and Commerce and to the Secretary of State for External Affairs.

The duties of the Shipping Priorities Committee, as set forth in the Order in Council providing for its establishment, are as follows:—

1. To ascertain from time to time Canadian shipping cargo-space requirements and, having regard to the necessities of the war effort, to determine the degree of priority or urgency of such requirements and the extent to which they can be met by the use of ships of Canadian registry or of ships provided by the United Kingdom Ministry of War Transport;

2. To present to the competent authority of the Government of the United States requests for the allotment of cargo space on ships controlled by the United States Maritime Commission, such requests to be supported by evidence of need and urgency;

3. To maintain continuous and effective contact with such competent authority in order to ensure that Canadian shipping requirements are placed before the agency or agencies of the Government of the United States responsible for deciding on overseas export and import priorities and to enable such requirements to receive equal consideration with United States shipping requirements.

The Committee is empowered to make such arrangements or to enter into such agreements on procedure with the competent authority of the Government of the United States as in the opinion of the Committee are necessary and advisable for the purpose of discharging its duties.

It may require the Canadian Shipping Board to furnish all necessary information or assistance within the power of the Board to furnish, and also direct the Board in all matters relating to the allotment of cargo space in vessels of Canadian registry and the arrangement for cargo space in those of other than Canadian registry.

The Committee consists of a chairman and seven members, who have been appointed as follows:

L. D. Wilgress, Deputy Minister of Trade and Commerce, Chairman; G. C. Bateman, Metals Controller; R. C. Berkinshaw, Chairman of the War-time Industries Control Board; George Caulton, of the Office of the Oil Controller; T. C. Lockwood, Transport Controller; A. L. W. MacCallum, Director of Shipping; David Sim, Wartime Prices and Trade Board; H. D. Scully, Commissioner of Customs. A representative of the Department of External Affairs is authorized to participate in the activities of the Committee as occasion may require.

C. M. Croft, formerly Commercial Secretary at Tokyo, has been named secretary of the Committee. Its offices are in the West Block, Parliament Buildings, Ottawa, and its address is: Shipping Priorities Committee, Department of Trade and Commerce, Ottawa.

## RUSSIAN TIMBER IN THE UNITED KINGDOM

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Bristol, November 29, 1941.—The entry of Russia into the war, her continued resistance to the German onslaughts, and the British aid to Russia by way of sending supplies and air support have all had a marked recent effect on the timber trade here, because ships carrying cargoes of war supplies to Russia naturally come back filled with commodities needed in the United Kingdom. Details of imports of these commodities are not available, but pictures of off-loading of ships in Scottish ports, displayed this week in the Press, show clearly deck cargo of sawn wood on ships which are stated to have recently returned from Russia. It can be concluded, too, that the wood has come from the White Sea ports, for the Baltic and Leningrad are not available to British shipping at present.

How long this re-opened import trade will continue is not certain. Normally, Archangel closes about this time of the year, but special ice-breakers are reported to be in use there, and hopes have been expressed that the port can be kept open all winter. The ice-free port of Murmansk is, however, connected by rail with Leningrad, which normally draws on the interior for sawn lumber. The best quality Russian wood comes mostly from Archangel, but even if Archangel be closed in winter, Russian timber could still be brought to Murmansk and used as return cargo to Britain, so long as that railway is uncut and remains in Russian hands.

### STOCKS AVAILABLE AND IMPORTS

It is not known what lumber supplies are in stock and available at the White Sea ports, but pre-war deals, battens and boards in various lengths and sizes of conifers, chiefly red with some white wood, formerly entered this market from Russia in considerable supply every year. Supplies are reported to be plentiful.

As an indication of the volume of this trade, imports of sawn and planed softwood into the United Kingdom totalled (in rough figures of standards): for 1937, 2,500,000; for 1938, 1,750,000; and for 1939 until August, when official returns ceased, 1,200,000, or about 2,000,000 for that year. Of these figures Russia supplied in 1937, 450,000; in 1938, 350,000; and in 1939 (estimated), 300,000 standards of sawn and planed softwood.

Since Russia has become industrialized she has needed large quantities of manufactured softwood for the erection of factories and for their products, and Russian exports of wood since then have been considerably reduced. Since the war, moreover, Russia's best market, Britain, has been cut off and also later the continental customers dominated by Germany, while Germany, despite the trade agreement with Russia, is certain to have required from Russia flax, minerals and cargoes other than wood. It may be assumed, therefore, that there are considerable stocks of sawn timber available for export in Russia and that much of it will find its way to this market so long as freighters are using the White Sea ports.

Since the outbreak of war and until October this year practically all the softwood needed in the United Kingdom has been obtained from Canada, but it would seem that much of this may from now on be purchased from Russia, leaving Canada to supply more food and munitions and enabling Russia to load returning freighters with much needed wood and other cargo to help pay for the urgently required supplies being sent to her now in large volume. Considerable secrecy is being maintained with regard to details of this new trade, but this country in wartime can never possess excessive stocks of softwood. Generally



speaking, in the United Kingdom third-quality Russian wood takes the place of No. 2 clear and better British Columbia pine and, as the latter is none too plentiful, the Russian product will be welcomed by the trade.

### CANADIAN TIMBER FAVOURED

The following extract from the *Timber Trades Journal*, published in London, England, under date November 15, 1941, may be of interest to Canadian lumbermen:—

Examples of the dislike of timber men to change when once they have become accustomed to certain materials or certain methods of trading are always occurring. When this country began to change from the almost exclusive use of European softwood to the importation of B.C. pine and hemlock, criticisms about the qualities of this Canadian wood were almost abusive. Many importers stated that they would not have it in their yards; that it was not suitable in building, that it split when nailed, was liable to rot, etc. Further, that their workmen disliked it. However, prejudice was gradually overcome, the import grew by leaps and bounds, and owing to circumstances over which the trade has now no control, Canadian wood has since the war constituted our main source of supply. The trade has, in fact, become well accustomed to the wood. Now after a long interval Russian wood is beginning to arrive, but so used to B.C. pine and hemlock have importers and merchants become that there seems to be no urgent wish to change again. The Russian wood is dearer and this may, of course, have something to do with the disinclination to purchase when B.C. pine or hemlock are available. When joinery quality is required No. 2 common and better B.C. pine seem to answer all necessary purposes.

### PRICES

It must be difficult to obtain at present any but f.a.s. Russian lumber quotations, and accordingly it would be impracticable to compare landed prices, which are the only ones of interest to importers. Freight rates from Russia will be largely a government question. At present a national stock price prevails in the United Kingdom for all grades of domestic and imported lumber, and the coming of Russian stock will probably mean a special schedule to cover it. It is felt that the Russian wood will supplement rather than compete with Canadian shipments. The Russian product is known to be very good, and it has always commanded slightly and relatively higher prices and is used for special purposes. It is also probable that the best grades only will be supplied during the war.

## MANUFACTURE OF FURNITURE IN THE UNITED KINGDOM

### UNIT VALUES DECREASED ONE-THIRD

With reference to the report appearing under the above heading in the last issue of the *Commercial Intelligence Journal*, Mr. James Cormack, Canadian Trade Commissioner at Bristol, advises that all unit values have been decreased by one-third, effective January 1.

## UNITED KINGDOM WAR NEEDS IN PAPER AND BOARD

### FROM *The World's Paper Trade Review*

Lord Beaverbrook's appeal to the nation for 100,000 tons of waste paper has thrown into sharp relief an urgent national need. Paper and board are essential to modern military organization. It is safe to say that without paper and board in their various forms the organization of modern fighting forces would be impossible. In addition to the use of paper for maps, instructions, records, etc., the Army requires a large amount of board for munitions and packaging purposes.

Among the uses to which paper and board are put to-day are as component parts for shell fuses and land and sea mines, shell containers, cartridge wads, con-



tainers for petrol tins and wireless sets, component parts for aeroplanes and, in the form of wallboard, for many essential constructional requirements. The army to-day relies chiefly on fibreboard for packaging purposes as this material not only saves weight but it is easier to man-handle.

### BOARD MILLS SHORT OF MATERIAL

Board mills have important orders in hand for supplying many of these essential requirements and they cannot work to the full limit because the raw material is simply not there. A temporary measure of relief is bound to ensue from Lord Beaverbrook's appeal for waste paper and the energetic campaign conducted in the Press. But there are two facts which have to be faced: (1) day-to-day collections of waste paper are bound to diminish progressively because the amount of new paper being issued is increasingly restricted; (2) accumulations of waste, such as unwanted books and old records, can only be turned out once.

Now that the British army has gone into action on a big scale, consumption of board will increase rapidly. The plain fact is that the board mills are wondering where they are going to get their raw material to replace used supplies and to fulfil the ever-increasing needs of an expanding army. Waste paper, as stated above, is subject to the law of diminishing returns and the question arises as to whether any plentiful source of raw material is available.

### USE OF STRAW

There is one home-produced raw material which is available in large quantities, namely, straw. As more and more acres of land are ploughed up, the prospects are that increased supplies of straw will become available for paper and board making. Straw is already one of the staple raw materials for an important section of the paper trade; there is no technical impediment to the use of unbleached straw for board manufacture.

Some of the board mills are already pulping straw; but the biggest producers, owing to lack of digesters, have not so far been able to make use of this material. To remedy this situation it has been suggested that a central plant for pulping straw might be erected and that such an installation offers the most likely solution of a problem which threatens to become acute. The idea of a central pulping plant is not new; it received consideration earlier in the war, but nothing definite emerged. In view of the deterioration in the raw material situation, trade observers consider that this project should be re-examined.

### ADVANTAGES OF A CENTRAL PLANT

In considering whether a central pulping plant is a feasible project, the question of siting is of considerable economic importance. . . . From this central plant pulp supplies could be transported to the board mills, which would thus be assured of a more even flow of raw material than at present. From the economic point of view pulp is a less bulky freight than straw and in the long run rail costs would be lower. Those who support this project emphasize that straw is the only home-produced raw material which, so long as the present war situation lasts, is reasonably certain to be available in consistently good quantities. Paper mills are now receiving substantial supplies and their earlier scepticism about the availability of straw is beginning to vanish as their stocks rise. Surely, it is urged, the time has come when steps should be taken to see that this raw material is used to the fullest possible extent. If timely action is taken to erect and install a straw-pulping plant on the lines described above, the country might avoid what now seems well within the bounds of probability—a dangerous shortage of paper and board to service large-scale British military operations.

## UNITED KINGDOM TIMBER SUPPLY

FROM *The Chamber of Commerce Journal*

### ACHIEVEMENTS IN HOME-GROWN PRODUCTION FOR THE WAR EFFORT

Before the war the home-grown timber trade supplied less than a tenth of the country's requirements. To-day severe restrictions on shipping space and the over-running by the enemy of so many European timber-producing areas have cut off most of our imports, and we must rely primarily on the resources of these islands.

It does not need much reflection to realize how essential timber is to the war effort. Railway wagons and sleepers, motor bodies, army huts, tool handles, packing cases, telegraph poles, pit props—these are only a few of the purposes for which wood must be available, and although severe restrictions have eliminated non-essential uses almost entirely, the quantities required are very great. Timber is wanted everywhere, and for all sorts of purposes.

### REVOLUTION IN THE INDUSTRY

The sudden necessity for such a tremendous increase in home production has naturally meant a revolution in the industry. Old country mills have gone over to modern methods, including the working of double shifts; the most up-to-date equipment has been employed in the felling and transport of the trees. The countryside throughout England and Wales resounds to the feller's axe, the fall of trees and the roar of tractors "tushing" the trunks to the woodland drives to be taken off to the converting mills. The necessary results have been achieved; production is now more than ten times the pre-war figure and is rising week by week.

### LACK OF LABOUR

The greatest obstacle at present is lack of labour, which may well seriously interfere with the program if the industry is further denuded. Many skilled workers have already been called to the colours, while others are waiting to go, and it is the general opinion of those concerned that unless the Minister of Labour relents and leaves these skilled craftsmen at their jobs a fall in output is inevitable. The country's needs have been satisfied so far only by a big effort, which cannot be maintained and developed without the essential skilled labour.

In addition to production from the mills of the merchant, very valuable work is being done by the departmental mills of the Home Grown Timber Production Department, and an important part is also being played by the home and oversea forestry corps.

The home-grown timber merchant has made a substantial contribution to the national effort; it should be recognized that he is also making considerable sacrifices, for the greater the output to-day the less raw material will be at his disposal after the war. But he has not been restrained by such considerations, and nothing is being left undone to stimulate and maintain an output to meet all essential needs.



## WHEAT PRICES IN IRELAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, November 29, 1941.—The Eire Minister for Agriculture announced under date November 28 that the price of 41s. per barrel (of 20 stones) fixed for Irish-grown wheat of highest grade for the season commencing September 1, 1942, has been increased to 45s. per barrel delivered at grower's nearest railway station. This increase in price has been made to encourage Irish farmers to grow more wheat for their 1942 harvest.

The Minister for Agriculture has also made an Order, effective from November 5, 1941, fixing the maximum retail price for imported seed wheat of winter variety, when sold or offered for sale by retail, as follows: 65s. per barrel (of 20 stones), net cash, free on rail, if sold within a county or town at port whereof it was imported and 67s. per barrel, net cash, if sold elsewhere. The Order provides, however, that this maximum price does not apply to seed wheat of pedigree or pure line strain when imported under licence issued by the Minister for Agriculture.

## CANNING PROJECTS IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 23, 1941 (delayed).—As a result of wartime conditions and the demand for canned goods for the defence forces, developments in various forms of canning are occurring in Australia at the present time. One of these developments is the establishment of a pork-canning plant in a bacon factory in Adelaide. A portion of the bacon output of the factory, mostly rashers, will be canned and marketed with other subsidiary products.

Another development in Adelaide is the establishment of an industry described as the Commonwealth's first rabbit cannery. The rabbit carcasses are cleaned, divided into cutlets, placed in brine, scalded, packed and placed in a long steamer. The tins are sterilized in batches of 1,100 at a time in large steam cooking retorts. The plant has a maximum output of 92,000 2-pound tins weekly. As only comparatively small quantities of frozen rabbits can be taken by the United Kingdom, the project has been introduced to provide an alternative outlet.

It is reported that canned items ordered for the defence forces for delivery by Christmas include the following: 18,000,000 tins of condensed milk, 2,240,000 tins of canned tomatoes, 1,120,000 tins of vegetables, 30,000,000 tins of meat, 6,000 tons of jam, 330 tons of marmalade, 1,400 tons of bacon, 700 tons of tinned cheese, 70 tons of honey.

The problem of food supply covers, in a number of cases, the actual growing of the foodstuffs, such as vegetables, and a campaign has been started in all the states of Australia to produce more fresh vegetables for canning. It is stated that thousands of additional acres of vegetables will have to be grown to meet the situation. It is planned to produce seed at various government experimental farms and distribute it to thousands of growers, who will contract to supply the resultant crops to the Government. It is reported that 2,000 acres of canning beans will be required next season and that the Government is prepared to pay £A1 per bushel for the crop.

An interesting sidelight on the orders for the defence services is the supply of vegetable extract which is being used for the prevention of scurvy by the troops overseas in places where fresh vegetables are scarce. This product is now being manufactured extensively in Australia. Its base is brewer's yeast, and production at present is governed by the amount of brewer's yeast available.



## NOTES ON TRADE AND INDUSTRY IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 23, 1941 (delayed).—Following are brief notes on current developments in trade, industry and engineering in Australia, some of which have been stimulated by wartime conditions.

### NEW FLAX MILLS IN SOUTHERN AUSTRALIA

A new flax mill to cost £A200,000, including installation of machinery, it is reported, is being built at Terang in the southwestern district of Victoria. An early start has been made, as the flax crop is due to be cut in November. The flax will come from the surrounding district and will relieve the pressure on the mill at Colac, which is about 40 miles from Terang.

In South Australia, surveys have been made in the Mount Gambier district for a new flax mill to be erected in the southeast. The mill is expected to give employment to 100 men.

### MANUFACTURE OF POTASH IN AUSTRALIA

An Australian company will very shortly commence the manufacture of potash at its cement works near Geelong, Victoria, according to recent reports. The plant to manufacture the potash is being made in Australian factories and it is expected that it will be installed at the company's works in two or three months. It is estimated that the potash recovery plant will cost about £A20,000.

Chemists of the company have been working for about two years on the problem of extracting potash from discarded residues of cement manufacture and claim that they have been successful. Their extraction process involves construction of a fairly big plant to use the waste heat from the cement works for extracting the potash. When in full operation the new plant, on present cement output, is expected to produce 1,000 tons of potash a year, equal to one-tenth of Australia's imports of this product.

Potash is used largely in Australia as a chemical base for fertilizer, matches and explosives.

### ESTABLISHMENT OF MATCH MILL IN SOUTH AUSTRALIA

It is reported that an all-Australian match company, with headquarters in Melbourne, has established a mill at Penola, South Australia, with the main object of producing veneer from which match splints will be manufactured. The necessary machinery has been installed, and it is expected that the mill will be working at full capacity in the very near future.

### PLYWOOD TO BE MANUFACTURED IN TASMANIA

A Melbourne firm is reported to have acquired large areas of excellent timber in Tasmania for a plywood manufacturing factory to be established near Burnie. A quantity of machinery has come to hand, it is said, and the Tasmanian Conservator of Forests states that the production of plywood will be the chief occupation of the firm.

### HUGE DAM TO BE CONSTRUCTED IN VICTORIA

It has been announced that a huge dam is to be constructed across the Upper Yarra Valley near Warburton, which is about 48 miles from Melbourne.

The proposed dam will be the biggest water conservation scheme ever attempted in Australia, and it is said it will rank as one of the largest of its kind in the world.

It is estimated that the dam will cost £A2,000,000 and when complete it will hold 30,000,000,000 gallons of water. The dam will serve the whole of the metropolitan area and within twenty years it is expected to more than double Melbourne's water supply. At present Melbourne relies on water reserves at Yan Yean, Silvan and Maroondah, totalling 20,000,000,000 gallons. The earth-filled concrete structure of the new dam will be 250 feet high and extensive surveying and ground work has already been begun at the site. It will be five years, however, before there will be any benefit from water storage in the dam, and this period may be extended if war conditions interfere with construction.

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#### L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

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#### TRANSFER OF CAPITAL OF NEW GUINEA

Sydney, November 27, 1941.—The Commonwealth Government have announced that the administrative headquarters of the territory of New Guinea would be transferred from Rabaul to Lae. The new capital is in the Morobe district of the mainland of New Guinea. This move has been necessitated as a result of the continued activity of the Tavurvur volcano, some three miles from Rabaul, which has been in almost continuous eruption since June.

#### BOUNTY FOR AUSTRALIAN-GROWN COTTON

The Commonwealth Government has announced that they propose to submit legislation at an early date in order that producers of raw cotton would be guaranteed a net return of 15d. a pound above the grade known as "strict, good ordinary" produced during 1942 and thereafter during the first cotton season following the termination of the present war.

The Queensland cotton crop for 1941 is now only expected to yield approximately 12,500 bales of raw cotton as compared with the Commonwealth requirements of 80,000 bales. In view of the fact that average-quality raw cotton from the United States now costs 15½d. per pound landed in this country free of customs duty, the government-proposed guarantee of 15d. a pound for Australian raw cotton is not expected to impose a burden on cotton users or result in more than a moderate expenditure under the Bounty Act.

It is further expected that the expansion of cotton growing anticipated under the new guarantee will provide additional work for those primary producers whose position has been weakened by reduced exports because of overseas shipping difficulties.

#### COMMONWEALTH BUTTER AND CHEESE PRODUCTION

Butter production for the year which ended June 30 last shows a reduction in production in all Australian states except Western Australia, while a definite drop was also noted in cheese output.

Figures released by the Commonwealth Government Statistician show that butter production fell by 6 per cent to a total of 3,877,042 cwt., decreases by states being as follows: Queensland, 203,000 cwt.; New South Wales, 75,000 cwt.; Victoria, 70,000 cwt.; South Australia, 13,000 cwt.; Tasmania, 11,000 cwt.

The production of cheese during the same period was 546,363 cwt. throughout the Commonwealth. The main factor causing the decrease in the production



of both butter and cheese was obviously seasonal conditions, although it is pointed out that requirements for the year ending June 30, 1942, have been restricted to choicest and first-grade butter.

Because of this and the increased quantities required by the United Kingdom cheese contract, some of the milk previously used in the production of butter fat has been diverted to cheese production, while increased quantities will also be required for the manufacture of condensed milk and buttermilk. The total production of milk for the year was 1,165,000 gallons, of which 161,000,000 gallons were used for domestic consumption.

#### RADIO LICENCES

A net increase of 9,362 wireless listeners' licences was reported by the Postmaster-General's Department. The total licences in force on September 1 were 1,308,131, or 18.50 for every 100 of population.

### POINTS FOR EXPORTERS TO GUATEMALA

#### A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, December 17, 1941.—The area of Guatemala, the most important of the Central American republics, is 109,724 square kilometres, or approximately 42,367 square miles, which is slightly less than that of the Maritime Provinces of Canada. Guatemala is bounded on the west and north by Mexico, on the northeast by British Honduras, on the east by the Gulf of Honduras and the Republic of Honduras, on the southeast by Salvador and on the south by the Pacific Ocean. According to the figures of the latest census (1940), the number of inhabitants is 3,283,209, of which 55.46 per cent are Indians and 44.54 per cent are Creoles.

#### CLIMATE

Although Guatemala is located in the tropical zone, its tropical climate is limited to the coast lands, which range from sea-level to 800 metres (approximately 2,600 feet). These are known as the Tierra Caliente, with temperatures from 77° to 86°F. In the areas higher than this the climate averages 68°F. This zone is called the Tierra Templada. At altitudes above 1,200 metres (about 3,900 feet), the Tierra Fria, the climate is generally cold, with temperatures averaging 59°F. There are two seasons: dry from November to May, and rainy from May through October.

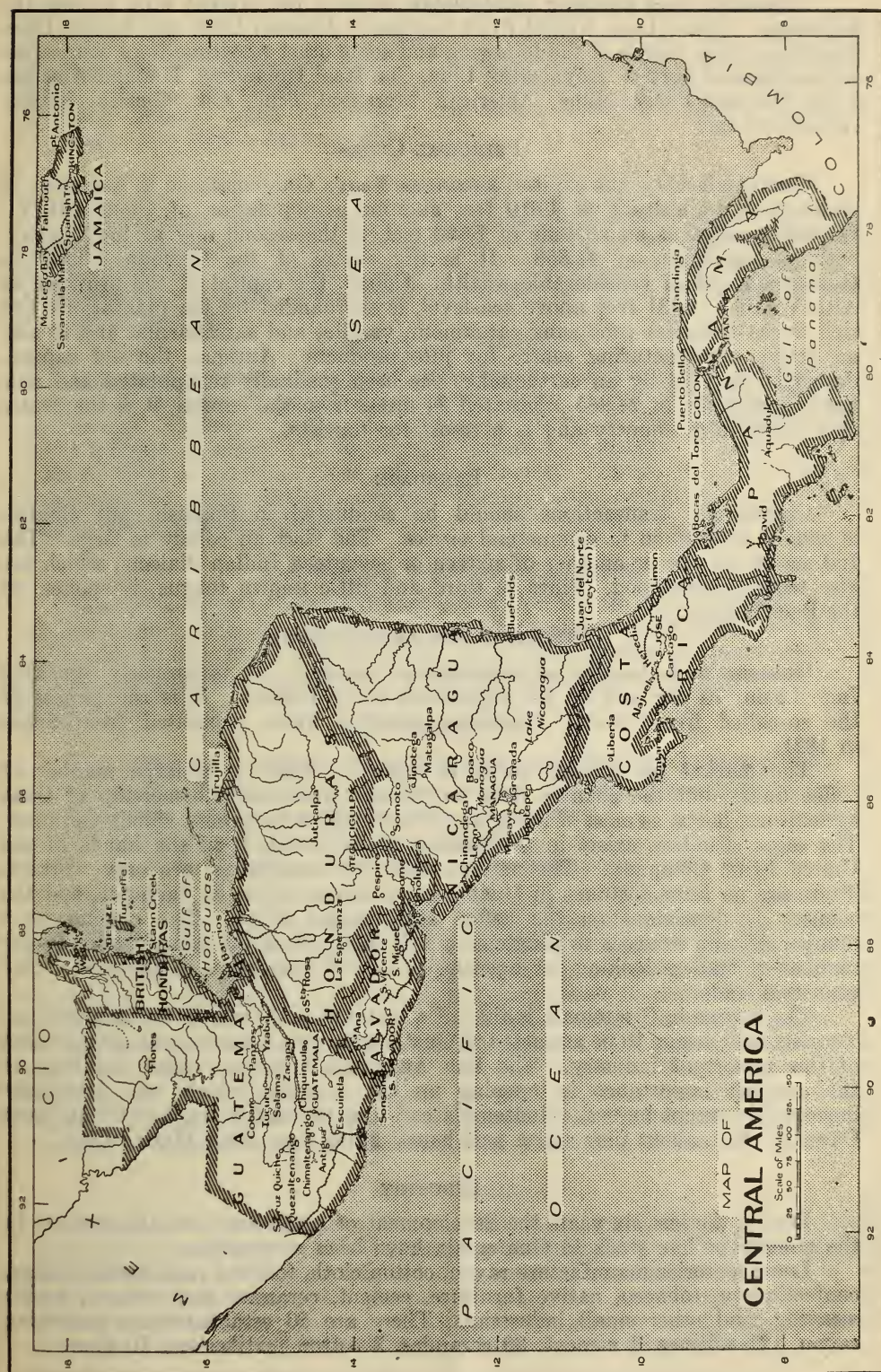
#### PORTS OF ENTRY

The main ports of entry into Guatemala are Puerto Barrios, on the Atlantic coast, and the small port of Livingston. On the Pacific coast the principal port is San José. Other ports, such as Champerico, are of minor importance. Puerto Barrios, on the land-locked gulf of Amatique on the Atlantic coast, is the terminus of the National Railways of Central America. Three-fourths of the import trade of the country passes through this port. San José is connected with the capital by 75 miles of rail and a motor road. From Livingston, on the left bank of the Rio Dulce, the chief commodities shipped are bananas and coffee. Champerico is only an open roadstead on the Pacific.

#### COMMUNICATIONS

The railroad lines in use in the country total 726.45 miles in length. There are numerous rivers, 205 miles of which are suitable for transportation purposes. The total length of the highways is 4,375 miles.







Steamship lines touching Guatemalan ports at the present time include the following: Grace Line, United Fruit Company, Johnson Line, and Solship Line. Before the war, vessels of the following and some other maritime lines also called at Guatemalan ports: Royal Mail Line, Cia. Real Holandesa, Holland-America Line, Panama-Pacific Line, American Merchant Line, Cia. General Trans-Atlantico Line.

#### PRINCIPAL CITIES

Guatemala City, the capital, known as Nueva Guatemala de la Asuncion, is situated at an altitude of 4,810 feet and has a population of about 164,771. Quetzaltenango, at an altitude of 7,690 feet, is the second city of the country, with a population of 41,858. It is the centre of the German colony in Guatemala and of considerable wealth. Coban, the capital of the province of Alta Verapaz, 4,431 feet above sea-level, is surrounded by tea plantations and rich fincas (estates) producing cardamom, vanilla, and sarsaparilla, and is also an active manufacturing centre for jute products. Antigua, the old capital, destroyed in 1773 by an earthquake, has been gradually repopulated and now has a population of 24,965. Situated 24 miles from the capital, it is the centre of a coffee-finca country and is a resort for tourists.

#### LANGUAGE

Commercial transactions should be conducted in Spanish, but English is widely understood in commercial circles. The German colony is large. The Indians speak one or another of sixteen or seventeen Indian dialects, which are also widely understood. Sinca, a third and little known tongue, is spoken on the Pacific coast.

#### RESOURCES AND DEVELOPMENT

Guatemala is largely an agricultural country. It is properly speaking Indo-Latin, 70 per cent of the population being Indians. It is the largest of the so-called five Central American republics which separated from Spain in 1821.

The market for foreign goods is limited. There is a large number of coffee fincas, but the country does not benefit from direct ownership of these agricultural lands, as most of them are in the hands of foreigners, chiefly Germans. The same situation exists in the banana trade, which is in the hands of the United Fruit Company. The natives, with few exceptions, are only workers. There are no large fortunes in Guatemala as there are in El Salvador, and the country is dependent on the coffee and banana crops. The coming of a number of war refugees to Guatemala will later affect the retail trade, as the number of traders looking for agencies is out of proportion to the size of the country's trade.

The regime in Guatemala is that of a dictator, and order is well maintained. Tourists have begun to be attracted to Guatemala, with a consequent development of this important industry. The Pan American Airways system has been of the greatest importance in opening up the country, which was previously inaccessible except by sea. Guatemala can now be readily reached by air from Canada. It is about four and a half hours' flying time from Mexico City.

#### INDUSTRY

During the last six years the development of agriculture and the increase in the number of live stock in Guatemala have been noteworthy.

Local factories manufacture rayon, cotton cloth, felt and palm hats, suitings, confectionery, tobacco, native furniture, cement, ceramics and pottery, native weaving, and other small industries. There are 50 establishments producing rayon, 121 suitings, 1 cement, 30 ceramics, 3 cotton textiles and 10 flour.

### BANKS

There is a number of local banks in Guatemala, all of which have their headquarters in Guatemala City. The following are the most important: Banco Central de Guatemala; Credito Hipotecario Nacional (Government Mortgage Bank); Bank of London and South America, Limited; Banco de Occidente; and Banco Agricola Hipotecario.

### CURRENCY

The currency unit of Guatemala is the quetzal, which is equivalent to the United States dollar. It is subdivided into silver pieces of 25 cents, 10 cents, and 5 cents, and into copper coins of two cents, one cent, and one-half cent. Paper currency is issued in denominations of 20-, 10-, 5-, 2- and 1-quetzal notes, and one of 50 cents.

### WEIGHTS AND MEASURES

The metric system of weights and measures is authorized officially, but certain old Spanish measures are currently used. Cloth is sold by the vara (33 inches). Coffee and sugar are weighed by quintales (100 Spanish pounds or 101.4 English pounds). A ton usually means a "tonelada" or metric ton of 2,204.6 English pounds unless otherwise noted. There is also a Spanish "tonelada" of 2,028 English pounds. Consequently quotations must always specify the type of ton intended.

### COMMERCIAL TRAVELLERS' SAMPLES

Samples subject to import duties, but which are to be re-exported, will be admitted temporarily free of duty, provided a deposit in cash is made or a bond acceptable to the Customs is furnished. A consular invoice is not necessary in the case of travellers' samples, but a list in triplicate must be presented to the Customs.

### DOCUMENTATION

The following documents are required for each shipment to Guatemala:

1. Certificate of origin (three copies; the forms are supplied by the local Guatemalan consulate at fifty cents a set).
2. Commercial invoice (five copies).
3. Bills of lading (five copies, three originals and two copies).

The originals of the above documents must be legalized at the nearest Guatemalan consulate, and each must bear the consulate's stamp, the registered number of the document, the date of its legalization, and the consul's signature or that of his representative. The consul's stamp must appear on each sheet of the invoice. Legalization of the above documents must be made within ten days of the date of the bill of lading so far as Canadian shipments are concerned.

Shippers are advised to prepare their documents with care and to pay close attention to any shipping instructions they may receive. Detailed information regarding the preparation of the documents listed above is contained in a leaflet entitled "Documentation of Shipments to Guatemala," a copy of which may be obtained on application to the Department of Trade and Commerce, Ottawa.

### ENTRY PERMITS

To enter the country travellers to Guatemala must obtain a visé (\$3.50 United States currency) from a Guatemalan Consular officer. They must register with the Ministry of Foreign Affairs in Guatemala City if their visit exceeds two months and immediately with the police in any case. For neglect to comply with such regulations a heavy fine is imposed. On leaving the country Canadian citizens must obtain a permit from the Ministry of Foreign Affairs.



Bona fide tourists who stay in the country less than sixty days can use a tourist card (*tarjeta de turismo*), which will be supplied on presentation of passport. Possession of this tourist card exempts a traveller from the formality of reporting to the police or of obtaining a residence permit (*cedula de vecindad*).

#### TRADE WITH CANADA

According to figures of the Guatemala Bureau of Statistics there has been a marked increase in the imports into Guatemala from Canada during the past two years. In 1937 the imports from the Dominion were valued at 56,533 quetzales. In 1938, this figure was reduced to 44,040 quetzales, but in 1939 it had risen to 102,489 quetzales, representing 0.67 per cent of the total value of imports into Guatemala. In 1940 the increase in Guatemalan imports from Canada was even more marked, amounting to 168,815 quetzales or 1.33 per cent of the total imports. As the exports from Guatemala to Canada were valued at 68,485 quetzales, there was a balance in favour of Canada of 100,330 quetzales.

According to preliminary figures the imports from Canada into Guatemala for the first six months of 1941 were valued at 98,759 quetzales out of total imports into Guatemala for this period valued at 6,337,487 quetzales. For this period the Dominion was in eighth position among countries shipping to Guatemala, being preceded by the United States (5,028,988 quetzales), Peru (189,083 quetzales), Curacao, Dutch West Indies (183,438 quetzales), Sweden (126,280 quetzales), the United Kingdom (125,151 quetzales), Mexico (121,683 quetzales); and El Salvador (110,246 quetzales).

For the same period exports to Canada from Guatemala were valued at 134,696 quetzales. This increase in Guatemalan exports was due to larger shipments of coffee, Canada being in second place, following the United States, as a purchaser of this Guatemalan product.

#### PURCHASING POWER

The individual purchasing power in Guatemala is low as compared with that of other North American countries. While the volumes of individual products imported are small, a large variety of items is purchased. The Guatemalan market is recommended to Canadian export houses, particularly those dealing in such lines as mixed groceries, paper, textiles, hardware, novelties, etc., since this market is not as a rule large enough to warrant bulk manufacturers shipping their products direct. Many New York export houses have established good businesses in Central American countries, including Guatemala. Orders are generally small, and price competition is keen, but there should undoubtedly be an opportunity for Canadian export houses to make contacts with import houses in Guatemala.

Quotations should be c.i.f. port of entry, either San José on the Pacific coast or Puerto Barrios on the Atlantic coast. If Canadian exporters cannot quote c.i.f. port of entry, they must not expect business if they quote f.o.b. Canadian ports. Failing the first method, they should offer prices f.o.b. New York or San Francisco. There are far too many commission agents in Guatemala for the size of the market, but, on the other hand, the number of first-class agents resident in Guatemala is limited. Appointments of agents should be limited to the Guatemalan territory, and not extended to all Central America, as an agent resident in Guatemala must incur heavy expense when leaving Guatemala to visit other territories.

In estimating the purchasing power of the population in Guatemala, it must be remembered that the bulk of the Indian population steadily refuses to buy the white man's goods, and that a large part of the remaining population is too poor to purchase imported articles in any quantity. The government and the

fincas pay very low wages. Thus 90 per cent of the population are not buyers of imported goods. The purchasing capacity of Guatemala for foreign goods is about that of a Canadian town of 50,000 to 60,000 inhabitants.

#### SELLING METHODS AND PRESENT POSITION

Besides the opportunity afforded export houses referred to above, travelling sales' representatives of Canadian firms may advantageously include Guatemala in their tours of Central America, since this territory can now be so easily reached by air service. At present there is a shortage of imported goods but difficulty of transportation to Guatemala and wartime restrictions imposed on manufacturers limit the opportunities for sales. However, contacts made now should bring business in the future.

Canadian exporters should note that many firms in Guatemala either buy from export agents in New York City or visit that centre annually. Further, export houses in the United States work Guatemala either from San Francisco or New Orleans, and from the latter port United Fruit Company boats carry cargo to the Atlantic coast. Canadian exporters should also bear in mind that when the cost of goods rises beyond the purchasing power of the local market, the Guatemalan importers cease to be interested, since they cannot afford to buy the goods or can only purchase in small quantity. This is exemplified in respect of dried codfish. Before the outbreak of war the Guatemalan market consumed about thirty tons of dried codfish. The pre-war price of Norwegian dried codfish in 100-pound cases worked out at roughly \$0.08 per pound. The present price in the Guatemalan market for this quality is \$0.19. A fair business was also done in boneless and skinless codfish in one-pound packets. The prevailing prices have accordingly reduced the annual demand for both qualities to twenty tons.

The war is effecting changes in Guatemala's economic structure. A number of business refugees from Europe have arrived in the country and have started new developments. In the past, for example, Guatemala had to import all its rubber footwear. To-day a branch of the well-known Bata firm, called Incatecu, S.A., is manufacturing rubber footwear from local rubber. It employs ninety workmen and uses two hundred pounds of local rubber daily. While the product is not of a high quality, this production is likely to adversely affect import of rubber footwear, not only into Guatemala but also into El Salvador, Nicaragua, British Honduras, and Panama, to which countries the new Guatemalan firm is exporting. The influx of European commercial refugees is increasing, and of course will increase the competition among local commercial agents. In this regard Canadian firms selecting agents in this area should be assured of their integrity, established connections, and distributing power. The prospective agent should not represent too many principals.

### CANADIAN TRADE WITH EL SALVADOR

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One colon equals approximately 44 cents Canadian; one kilo equals 2.2 pounds)

Mexico City, December 22, 1941.—According to figures of the Salvadorean Statistical Bureau, there was a marked increase in the imports from and exports to Canada in 1939 as compared with those in 1938. In these years imports were valued at 178,449 colones and 120,458 colones respectively, and the corresponding values of exports were 123,499 colones and 35,713 colones. Detailed figures are not yet available for 1940.

For 1939 imports from Canada accounted for 0.81 per cent of the total value of imports into El Salvador amounting to 22,124,303 colones. Exports from El Salvador to Canada made up 0.42 per cent of the total export value of



31,848,515 colones in that year. The trade balance in favour of Canada was 54,950 colones.

#### SALVADOREAN STATISTICS OF IMPORTS FROM CANADA

According to figures of the Statistical Bureau of El Salvador, values of principal imports from Canada in 1939 and 1938 are as follows:—

#### *Imports from Canada into El Salvador*

	1939 Colones	1938 Colones
Total . . . . .	178,449	120,458
Milk . . . . .	106	150
Crustaceans and shellfish . . . . .	474	391
Malt and other germinated cereals. . . . .	22,553	12,355
Spirits and liquors . . . . .	972	7
Wood . . . . .	1,328	.....
Medicines . . . . .	1,238	.....
Calcium carbide . . . . .	33,206	39,806
Cotton thread . . . . .	129	.....
Lingerie . . . . .	882	169
Socks and stockings . . . . .	6,507	3,835
Rubber goods . . . . .	167	151
Rubber tires. . . . .	1,352	.....
Pasteboard and other paper . . . . .	730	.....
Newsprint . . . . .	40,130	11,902
Wrapping paper . . . . .	154	1,164
Art products . . . . .	50	122
Chinaware and pottery, kitchenware . . . . .	269	.....
Construction iron and steel . . . . .	620	.....
Iron and steel manufactures . . . . .	359	.....
Copper, bronze, etc., articles . . . . .	1,278	550
Metal articles, unspecified . . . . .	314	.....
Electrical appliances . . . . .	803	2,395
Electric wiring . . . . .	18,699	10,416
Radio and loudspeakers. . . . .	2,801	.....
Electrical repair parts . . . . .	4,982	.....
Motors and generators . . . . .	2,600	231
Machine repair parts . . . . .	269	38
Automobile repair parts . . . . .	320	.....
Automobile tires . . . . .	30,122	20,235
Automobile tubes . . . . .	3,116	2,031
Unspecified manufactures . . . . .	1,410	527
Wheat . . . . .	.....	12,612
Unspecified chemical products . . . . .	.....	155
Medicines . . . . .	.....	40
Cotton underwear . . . . .	.....	777
Pasteboard . . . . .	.....	154
Printers' supplies . . . . .	.....	87
Sporting goods . . . . .	.....	22

#### CANADIAN STATISTICS OF EXPORTS TO EL SALVADOR

The following table shows values of exports from Canada to El Salvador during the years 1938, 1939, and 1940 according to figures issued by the Dominion Bureau of Statistics:—

#### *Exports from Canada to El Salvador*

	1940	1939	1938
	Values in Canadian Dollars		
Wheat . . . . .	77,070	470	3,400
Flour of wheat . . . . .	2,192	.....	.....
Malt . . . . .	4,805	9,000	3,865
Whisky. . . . .	1,910	312	.....
Pneumatic tire casings . . . . .	7,048	12,328	9,980
Other rubber manufactures. . . . .	1,738	2,123	1,981
Cotton manufactures . . . . .	1,287	2,201	906
Socks and stockings, silk . . . . .	3,044	2,640	1,438



	1940	1939	1938
	Values in Canadian Dollars		
Newsprint paper . . . . .	41,698	21,425	2,594
Paper n.o.p. . . . .	1,499	316	475
Hardware and cutlery . . . . .	5,994	480	307
Copper manufactures . . . . .	18,106	8,716	4,219
Electrical apparatus . . . . .	10,995	2,352	4,329
Inorganic chemicals . . . . .	8,389	12,262	10,778
Cartridges . . . . .	3,612	2	.....
All other articles . . . . .	4,754	2,818	2,971
Total . . . . .	194,141	77,445	47,243

The foregoing tables show, therefore, that Canadian exports to El Salvador have risen in value from \$47,243 in 1938 to \$77,445 in 1939 and \$194,141 in 1940. This increase in Canadian sales to El Salvador is accounted for by wartime conditions and the difficulty experienced by importers in El Salvador in obtaining supplies from customary sources.

### COFFEE EXPORTS TO CANADA

Exports of coffee from El Salvador to Canada in 1939 amounted to 3,650 bags weighing 255,208 kilos. This product is the main item purchased by Canada from El Salvador, accounting for the bulk of the total values of exports to the Dominion in recent years which, according to El Salvadorean statistics, amounted to 3,030,995 kilos in 1940, 275,208 kilos in 1939, 82,904 kilos in 1938, 2,634,626 kilos in 1937, and 6,992 kilos in 1936.

### INTERNATIONAL TRADE OF CENTRAL AMERICA

Following is a summary table showing the total international trade of the five Central American republics during the period 1935 to 1939 according to El Salvadorean figures converted to Canadian dollars:—

#### *Imports of Central American Countries*

	1935	1936	1937	1938	1939
	Values in Thousands of Canadian Dollars				
Honduras . . . . .	9,154	9,137	11,163	9,522	9,946
El Salvador . . . . .	9,063	8,435	10,416	9,147	8,850
Nicaragua . . . . .	5,073	5,580	5,621	5,120	6,365
Costa Rica . . . . .	7,162	8,397	11,879	12,621	16,885
Guatemala . . . . .	9,599	11,512	16,743	16,761	15,296

#### *Exports of Central American Countries*

	1935	1936	1937	1938	1939
	Values in Thousands of Canadian Dollars				
Honduras . . . . .	9,862	9,270	9,013	8,915	10,168
El Salvador . . . . .	10,837	10,098	15,516	10,946	12,739
Nicaragua . . . . .	5,658	4,648	7,038	5,884	8,301
Costa Rica . . . . .	7,712	8,309	11,512	10,146	9,086
Guatemala . . . . .	12,471	15,106	16,109	16,336	16,985

## MALAYAN PRODUCTION AND EXPORTS OF PALM OIL AND KERNEL

### K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

[This is one of a series of reports on Malayan industries planned and partly completed in the office of the Canadian Trade Commissioner at Singapore several weeks before the launching of war in the Pacific by Japan. Others will be published if and when received for the interest of their information.—Ed.]

(One Straits dollar equals Canadian \$0.525 at current rates of exchange; one ton equals 2,240 pounds.)

Singapore, October 10, 1941 (delayed).—In contrast with the haphazard methods associated with the production of many other of Malaya's lesser export crops, the palm oil industry has an internal organization comparable to that of

the rubber industry and represents a capital investment of large proportions. Altogether, there are 49 estates totalling 78,500 acres, of which 20 are larger than 1,000 acres and 20 are smaller than 500 acres.

Earliest Malayan mention of the oil palm dates from 1875, but plantation work commenced in 1917 and it was not until 1926 that there was any appreciable expansion in acreages under cultivation. To-day distribution of estates is general throughout the country, acreages including 37,627 in Johore, 18,850 in Perak, 16,280 in Selangor, 2,787 in Negri Sembilan, 2,712 in Pahang and smaller areas in Kelantan and Trengganu.

#### DESCRIPTION

The oil palm (*Elaeis guineensis*), originally native to West Africa, thrives under plantation conditions in the moist Malayan climate and reaches commercial production of the oil fruit in four or five years from planting. The fruits, comprising a fleshy pericarp and hard stone centre with kernel, are about the size of a walnut and grow in clusters weighing as much as 100 pounds.

The palm oil is extracted from the outer flesh, which contains from 29 to 32 per cent of oil, while the hard kernels are subsequently bagged for export as palm kernel, whence comes the equally important palm-kernel oil.

As plantings within the last four years have amounted to some 12,000 acres, the area in production is about 66,500 acres. This acreage, with a normal production of 16 hundredweights of palm oil and 3 hundredweights of kernel per acre, would place production capacity at 55,000 to 60,000 tons of palm oil and 11,000 tons of kernel. Against these theoretical figures, actual production in 1940 amounted to 57,972 tons of oil and 10,172 tons of kernel. Production continues throughout the year, but greatest supplies of fruit reach the mills during August and September, while the poorest periods are January-February and May-June.

#### PREPARATION

Despite the technical detail involved, the method of oil production is simple, involving only a breaking down of the outer flesh, an extraction of the oil by means of press, centrifuge, or solvent, a clarification treatment with boiling water or steam, a filtration, and then storage. The residue is screened, the kernel so obtained being sun- or kiln-dried and thereafter bagged for export.

The major problem attaching to oil extraction is control of the free fatty acids, which increase rapidly under certain conditions to introduce complications in handling and utilization, while depressing the selling price. The necessity for rigid control of the conditions of extraction and purification afford a principal reason for the elaborate mechanical equipment required by the industry.

#### USES

Palm oil ranges in colour from yellow to deep orange, the variation depending on the colour of the original fruit. Texture of the oil under Malayan conditions varies from semi-liquid to solid, with the viscosity increasing with the degree of acidity. Low acidity oil separates on standing into a yellow coloured solid—palm stearine, and a deep red liquid—palm oleine.

The principal industrial uses for the oil are in the making of soaps and candles, as a fixing bath in the manufacture of tinsplate, and for hydrogenation into edible vegetable fats. A recent development of importance has been the dietary use of palm oleine in substitute for fish liver oil as a source of vitamin.

Palm kernel is not processed in Malaya, but the kernel oil resembles coconut oil and after neutralizing and deodorizing is used as a premium-quality basis for edible fats and vegetable oils.

#### EXPORTS

During 1940 Malaya shipped 56,091 tons of palm oil valued at \$6,260,000 (Can.\$3,286,500). Exports by principal destinations during the years 1938, 1939, and 1940, were as follows:—



	1938		1939		1940	
	Tons	S\$	Tons	S\$	Tons	S\$
Total . . . . .	54,540	6,239,966	59,779	5,917,888	56,091	6,257,315
United Kingdom . . . . .	31,087	3,384,102	31,799	3,089,822	44,020	4,573,946
Canada . . . . .	18,748	2,241,578	24,100	2,362,113	7,116	875,518
British India . . . . .	2,606	357,128	1,448	177,272	1,855	296,538
Thailand . . . . .	902	110,762	409	42,300	791	140,936
Egypt . . . . .	429	51,409	690	88,602	648	115,447

Palm kernel exports during 1940 amounted to 9,219 tons valued at \$406,230, and in 1939 to 10,774 tons at \$545,309. In the pre-war period a substantial proportion of the total exports of palm kernel went to Continental Europe, but last year the only destinations of importance were Great Britain and the United States, which took 5,600 tons and 3,560 tons respectively.

### PACKING

Unbleached oil is regularly exported in bulk in ships' tanks, while the smaller quantities of bleached oil, though occasionally shipped in bulk, are usually exported in 45-gallon metal drums having a net weight of some 350 pounds. Difficulty is being encountered in obtaining metal drums and quotations frequently specify "buyers' barrels". Arrangement for the filling of drums and their purchase when and as the manufacturers have stocks for sale is, however, a responsibility of the seller. Currently the cost of drums is about S\$10.75 per unit.

Kernel is packed in single jute bags of 168 pounds.

### PRICES

In the pre-war period producers in British Malaya and Netherlands India worked through a co-operative sales organization, but exchange control regulations have now restricted the Malayan pool to domestic supplies. A late quotation (October 3) for unbleached oil in bulk "warranted free of fatty acid in excess of 5 per cent" c. & f. Canadian seaport, based on the shipment of 500 tons November-December, 1,000 tons December-January, and 1,000 tons January-February, was £26 to Atlantic Coast port and £24 to Pacific port.

Exporters currently quote palm oil "warranted under 5 per cent fatty acid", in sellers' drums, at S\$190 per ton with a premium of S\$10 per ton for the bleached quality. In general, each additional degree of fatty acid above 5 per cent discounts the selling price by S\$2 to S\$2.50 per ton.

The scarcity of shipping space and the low priority value of palm kernel has seriously curtailed the export movement of this cargo. Growers are packing only limited supplies, since the pool is no longer offering for export. Independent shippers, however, continue to move limited quantities and are quoting S\$30 to S\$35 per ton f.a.s. Singapore.

### NETHERLANDS INDIA

Netherlands India, which was briefly mentioned above, is the world's largest exporter of oil palm products, having shipped 44.7 per cent of the world's palm oil exports and 7.2 per cent of the total exports of kernel during 1939, which is the latest year for which statistics are available. Total area in oil palm cultivation amounted to 262,733 acres, of which 190,038 acres were in production to give 243,683 metric tons of oil and 53,766 metric tons of kernel. The industry centres largely in North Sumatra, lying to the West of British Malaya, whence was exported 90 per cent of the Netherlands Indies shipments.

### FURTHER PARTICULARS

A list of exporters in British Malaya and Netherlands India may be obtained by persons interested upon application to the Department of Trade and Commerce, quoting file No. 20822.



## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

#### IMPORT RESTRICTIONS ON GOODS FROM STERLING COUNTRIES

Sydney, December 9, 1941.—The Australian Minister for Trade and Customs announced on December 8, 1941, that, as from that date, imports of sterling origin would become subject to import control. Such control has existed over imports from non-sterling countries since December 1, 1939. In general the new regulations prohibit, or restrict, the importation into Australia of non-essential or luxury lines whether or not they are of sterling or non-sterling origin. The degree of restriction on identical commodities is not necessarily the same for sterling and non-sterling areas; for example, whisky is a prohibited item from non-sterling sources but is admitted up to 50 per cent of base-year imports from sterling countries. The restrictions do not apply to goods originating in New Zealand or the British or French Pacific islands.

A total of 643 items now constitute prohibited imports when of sterling origin; one item is restricted to 25 per cent of base-year imports, 38 are restricted to 50 per cent, five are restricted to 75 per cent, and 12 to 100 per cent.

All applications for licences to import tobacco leaf, raw cotton, or true vegetable parchment are to be referred to the administration, whether they apply to goods of sterling or non-sterling origin, even including New Zealand and the Pacific islands.

The base year is the same as for imports from non-sterling countries, namely, the twelve months ended June 30, 1939. The first licensing period covers the four months ending March 31, 1942, during which time quotas will be based on one-third of the value of imports during the base year. Future licensing periods will coincide with those for non-sterling goods.

A complete list of the goods affected by this order is on file at the Department of Trade and Commerce, Ottawa.

### Newfoundland

#### CERTAIN IMPORTS EXEMPTED FROM REVENUE WAR TAX

Effective January 1, 1942, a Newfoundland revenue war tax of  $7\frac{1}{2}$  per cent ad valorem was removed from imports of seed wheat, seed barley, seed oats, seed buckwheat, seed rye, animal and poultry feeds, manures and fertilizers, flower and garden seeds, agricultural implements and parts thereof, agricultural machinery, and materials used in the manufacture of butterine when imported by manufacturers of butterine. The revenue war tax of  $7\frac{1}{2}$  per cent ad valorem has been levied on nearly all goods imported from non-sterling countries, including Canada, since November 30, 1940.

### Peru

#### INCREASE IN CUSTOMS DUTIES

With reference to the article in *Commercial Intelligence Journal* No. 1980 (January 10, 1942), page 45, reporting an increase of 20 per cent in all Peruvian tariff rates, except those on foodstuffs, Mr. W. G. Stark, Assistant Trade Commissioner in Lima, writes that the increase was approved by a decree signed by the President of Peru on December 18, 1941, and that according to the Superintendent of Customs at Callao the increased duties were collected on

imported merchandise cleared through customs on and after December 22. The decree provides that customs duties are to be raised in a proportion representing a fifth part of the existing rates. The purpose of the increase is to obtain additional revenue rather than the protection of domestic industries.

The only exemptions from the foregoing increase are for the following foodstuffs, duties on which will remain as heretofore: olive oil and edible oils; coconut and fish fats; lard and vegetable lards; rice, husked, bleached or not; wheat; oats, including Quaker Oats; maize; wheat flour; potatoes; potato meal and maizena; milk, whole, evaporated or condensed, sweetened or not, also milk in powder form for feeding children and constituting a speciality; butter; cheese; fodder, dried, of all kinds; meat, fresh or dried, preserved in any way; fresh fruits, of all kinds; and vegetables, dried and shelled.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 12, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Jan. 12, 1942, and for the week ending Monday, Jan. 5, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 5	Nominal Quotations in Montreal Week ending Jan. 12	Official Bank Rate
Great Britain.. . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States.. . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina. . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2603	.2614	—
Brazil.. . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0573	.0573	3-4½
		Export	.0444	.0444	—
Colombia.. . . .	Peso	.9733	.6325	.6325	4
Uruguay.. . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5872	.5822	—
South Africa.. . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India. . . . .	Rupee	.3650	.3359	.3359	3
Straits Settlements.. . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	2
		Offer	3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.	Toronto, Ont.	Stratford, Ont.	St. Boniface, Man.
Halifax, N.S.	Chatham, Ont.	Woodstock, Ont.	Winnipeg, Man.
New Glasgow, N.S.	Guelph, Ont.	St. Mary's, Ont.	Vancouver, B.C.
Quebec, P.Q.	Kitchener, Ont.	Portage la Prairie, Man.	New Westminster, B.C.
Montreal, P.Q.	Brantford, Ont.		

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	London, Ont.	Sarnia, Ont.
Kingston, Ont.	Peterborough, Ont.	St. Catharines, Ont.	Victoria, B.C.
Oshawa, Ont.		Hamilton, Ont.	Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Edmonton, Alta.	Vancouver, B.C.
Montreal, P.Q.	Winnipeg, Man.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Whisky and Gin.....	3726	Guatemala City, Guatemala.....	Agency.
Sardines in Oval Tins.....	3743	Guatemala City, Guatemala.....	Agency.
Tea.....	3744	Guatemala City, Guatemala.....	Agency.
Candies.....	3745	Guatemala City, Guatemala.....	Agency.
Fine Chocolates.....	3746	Guatemala City, Guatemala.....	Agency.
Fruit Juices.....	3747	Guatemala City, Guatemala.....	Agency.
Biscuits.....	3749	Guatemala City, Guatemala.....	Agency.
Groceries.....	3750	Guatemala City, Guatemala.....	Agency.
Cinnamon.....	3751	Guatemala City, Guatemala.....	Agency.
Prepared French Mustard.....	3752	Guatemala City, Guatemala.....	Agency.
Cod Liver Oil.....	3773	Guatemala City, Guatemala.....	Agency.
Whisky (Scotch Type), Rye and Bourbon.....	3774	Guatemala City, Guatemala.....	Agency.
Whisky and Liquors.....	3775	Guatemala City, Guatemala.....	Agency.
Flour.....	3776	Guatemala City, Guatemala.....	Agency.
Flour, Low-grade.....	3777	Bridgetown, Barbados.....	Purchase and Agency.
Feed Oats.....	3778	Bridgetown, Barbados.....	Purchase and Agency.
Potatoes.....	3779	Bridgetown, Barbados.....	Purchase and Agency.
<b>Miscellaneous—</b>			
Perambulators.....	3741	Guatemala City, Guatemala.....	Agency.
Piece-goods, Rayon and Cotton..	3758	Melbourne, Australia.....	Purchase or Agency.
Piece-goods, Woollens (Tweeds, Suitings, etc.).....	3762	Port of Spain, Trinidad...	Agency.
Filter Cloths.....	3764	Sydney, Australia.....	Purchase and Agency.
Ladies' Hats.....	3767	Bridgetown, Barbados.....	Agency.
Shoes.....	3768	Bridgetown, Barbados.....	Agency.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# COMMERCIAL INTELLIGENCE JOURNAL

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## CANADA'S DOMESTIC EXPORTS BY PRINCIPAL COUNTRIES IN 1941

The following table, compiled by the External Trade Branch, Dominion Bureau of Statistics, shows Canada's domestic exports (excluding gold) by principal countries for the month of December and the calendar year 1941:—

Countries	Month of December		Twelve Months ended December	
	1940	1941	1940	1941
	Thousands of Dollars			
All countries . . . . .	97,621	150,472	1,178,954	1,621,003
Empire countries . . . . .	44,871	67,292	655,957	878,641
British East Africa . . . . .	652	219	4,790	3,898
British South Africa . . . . .	2,872	2,540	37,874	36,095
Southern Rhodesia . . . . .	264	271	1,865	3,041
British West Africa . . . . .	53	248	602	1,621
Bermuda . . . . .	152	381	1,567	2,903
British India (with Burma) . . . . .	2,532	3,208	11,603	40,750
Ceylon . . . . .	18	33	392	341
Straits Settlements . . . . .	505	657	4,281	9,630
British Guiana . . . . .	399	648	2,579	5,543
British West Indies . . . . .	1,922	3,259	17,361	30,564
Hongkong . . . . .	67	213	1,719	3,056
Newfoundland . . . . .	1,191	4,339	12,640	31,873
Australia . . . . .	1,859	1,948	33,860	37,290
Fiji . . . . .	41	25	338	433
New Zealand . . . . .	1,241	626	9,786	9,981
Palestine . . . . .	26	4	266	1,038
Eire . . . . .	107	218	5,776	1,932
United Kingdom . . . . .	30,946	48,417	508,096	658,228
Foreign countries . . . . .	52,750	83,180	522,997	742,362
United States . . . . .	43,792	62,101	442,984	599,713
Argentina . . . . .	732	611	6,107	7,172
Brazil . . . . .	499	320	5,063	8,097
Chile . . . . .	134	227	1,436	1,788
China . . . . .	155	365	2,504	6,599
Colombia . . . . .	83	168	1,438	1,792
Cuba . . . . .	200	270	1,859	2,529
Egypt . . . . .	4,818	13,161	8,396	79,195
French Possessions . . . . .	61	112	663	775
Japan . . . . .	425	.....	11,367	1,502
Mexico . . . . .	372	378	4,328	4,255
Netherlands East Indies . . . . .	153	112	1,533	3,652
Panama . . . . .	47	96	532	740
Peru . . . . .	58	332	1,527	1,942
Portuguese Africa . . . . .	135	26	1,985	617
Russia . . . . .	.....	2,830	1	5,331
Sweden . . . . .	.....	.....	587	28
Switzerland . . . . .	.....	116	744	1,486
Hawaii . . . . .	117	17	1,160	1,375
Philippines . . . . .	122	84	1,518	1,548
Puerto Rico . . . . .	112	151	657	1,185
Uruguay . . . . .	117	90	610	931
Venezuela . . . . .	195	150	1,720	1,745

## FOREIGN TRADE OF BURMA, APRIL-SEPTEMBER, 1941

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Rs.1 equals Canadian \$0.335)

Bombay, December 11, 1941.—The figures of Burma's foreign trade during the first half of the current fiscal year show an appreciable increase over the corresponding figures of last year. The value of exports increased from Rs.273,427,409 to Rs.352,911,373 and that of imports from Rs.128,976,527 to Rs.147,383,514. The respective total values were accordingly Rs.402,403,936 and Rs.500,294,887.

This unusually large increase is to be accounted for to some extent by the increased level of prices as between the two years, but is due also to a larger volume of exports of rice to Hongkong, Malaya, and Ceylon and to improved

foreign demand for raw cotton, teakwood, candles, and a variety of vegetable and grain foods. The principal increases in imports were in chemicals, cotton manufactures, oils, and metals.

Few details are available regarding Burma's trade by countries of origin and destination. It can be stated, however, that the United Kingdom continues to control an important share of Burma's import and export business and that there have been marked improvements in the value of trade with Hongkong, the Straits Settlements, South Africa, Canada, the United States, and China. Trade with Japan fell off considerably.

The war has led to a marked improvement in Burma's trade with Canada. Although precise figures are lacking, it may safely be said that exports to Canada have increased appreciably and that there has been an unusually large development in imports of Canadian products. The former trade is indicated in recent returns as having been valued at Rs.600,000 and Rs.910,000 and the latter at Rs.330,000 and Rs.710,000 respectively during the first six months of the fiscal years ending March, 1941 and 1942.

These figures vary considerably from Canadian returns, presumably on account of the traditional import of certain goods into Burma via Indian ports, where their true identity is lost, and on account of some of the business having been routed through United States ports. It is possible also that some exports to China via Rangoon and the Burma road may be shown in Canadian statistics as destined for Burma rather than China. In any event the Canadian figure of exports to Burma for the six months ending September last was \$934,859, which is far in excess of any previous value for a like period. Imports of Burma products were valued at a few thousand dollars only.

## AUSTRALIAN WHEAT AND FLOUR

Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on January 16 regarding the wheat and flour situation in Australia as follows:—

Production of wheat in Australia for the season 1941-42 is now estimated at approximately 160,542,000 bushels, of which the Australian Wheat Board anticipates acquiring 145,000,000 bushels. Approximately 18,500,000 bushels of old season's wheat remain unsold. There is no change in official wheat prices and sales during December were approximately 4,500,000 bushels. The export flour situation is principally affected by a shortage of tonnage. While there is a good demand from the East Indies, the lack of shipping is reflected in quotations for flour, which remain substantially unaltered. The Minister for Commerce has announced that the area to be sown to wheat in Australia during 1942-43 is to be no greater than the area sown in the present season, although a shortage of superphosphate may necessitate reduction.

## NOTES ON TRADE AND INDUSTRY IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, November 27, 1941.—Following are brief notes on industrial, financial and other developments in Australia.

### Co-OPERATIVE SHIPBUILDING

A co-operative shipbuilding society to build wooden coastal and trawling vessels in New South Wales has been established and will be known as the South Coast Co-operative Shipbuilding, Canning and Development Society. This society expects shortly to have the keels of coastal vessels ranging from



400 to 500 tons laid down at ten shipyards and is supposed to be the first co-operative shipbuilding society in the world.

The society's authorized capital is £500,000, although the Commonwealth Capital Issues Board has limited the capital to be raised for the first year to the sum of £100,000.

It was further announced that, in addition to shipbuilding, the society proposes to develop fishing, canning and farming industries. All ships will be of wood, and it is expected that the use of timber for this class of coastal carrier will be revived.

#### WAR ECONOMY IN AUSTRALIA

The National Bank of Australia Limited recently reviewed developments in the Australian industrial and financial system since the commencement of the war, and it expressed the opinion that considerable success has accompanied the effort to strengthen Australian economy as a whole.

The total number of employed has increased by 153,000, or 7·2 per cent, since the outbreak of the war, the bulk of the new employment being applied, directly or indirectly, to the production of military needs.

The national income is estimated to have risen from approximately £850,000,000 in 1938-39 to approximately £1,000,000,000 in 1940-41. It is considered that not more than one-half of the increase should be attributed to price movements, so that the remainder represents an additional output of goods and services.

The national wages bill was stated recently to have risen by approximately £150,000,000 since the beginning of the war. Of that amount £50,000,000 is attributed to the upward revision of price movements, the balance of £100,000,000 (Australian) representing a net gain to wage-earners as a whole.

It is now obvious that definite success is attending the efforts of the Australian Government to keep the rise in prices at a minimum. The price index number of selected imported wholesale goods rose 35 per cent between June, 1939, and June, 1941, while a recently supplied analysis for imports and wholesale goods produced in Australia combined showed an increase of only about 14 per cent. That part of the complete index number representing goods produced mainly in Australia, as apart from imports, shows an increase of approximately 5 per cent only. The comparisons are described as particularly significant, since one of the central aims of price control has been to prevent, as far as possible, the influencing of local prices too strongly by the natural increased rise in prices of overseas goods.

In the same two years retail prices throughout the Commonwealth are reported to have increased by 9 per cent only, which is very satisfactory. The total value of overseas trade has been maintained at levels well above those recorded in the pre-war year 1938-39.

The note issue has risen from £48,500,000 to £70,300,000; £21,000,000 of the increase is held by the public, reflecting higher export incomes and a growing value of national production. During the same period trading bank deposits have risen by more than £40,000,000 to £355,000,000.

#### PRODUCTION OF MACHINES FOR WAR WORK IN AUSTRALIA

The Ministry of Munitions states that orders placed with Australian firms up to September 1 of this year for the manufacture of production machines for the munitions industry amounted to £8,000,000, and at present 130 firms are producing high-grade machines in the Commonwealth.

In addition to orders now being fulfilled, they said, many thousands of machine tools, presses, and other production units had already been delivered.



Types of machine tools being made in Australia included engine lathes, gun lathes, capstan and turret lathes, shell lathes, cartridge-making presses, and presses up to 3,000 tons. A start had been made on plant for making larger shells and aerial bombs.

### NEW WAR FACTORIES IN NEW SOUTH WALES

New government war factories, which are expected to come into operation within the next few months, are now being erected in various strategic centres of the State of New South Wales. The estimated cost of building and tooling equipment will be £6,500,000, and when in full production will require 21,000 workers. The principal new works projected are as follows:

	Cost	Staff
Explosives . . . . .	£4,500,000	14,300
Gun ammunition . . . . .	1,000,000	2,500
Rifles . . . . .	600,000	2,400
Shell fuses . . . . .	400,000	1,800
	<hr/> £6,500,000	<hr/> 21,000

This represents the greatest program of industrial expansion ever undertaken by the State of New South Wales in one step since the commencement of hostilities.

### PRODUCER GAS UNITS

The use of producer gas units throughout the Commonwealth has shown a marked increase in recent months, and lately the Minister of Supply has completed arrangements with manufacturers that such units be sold to the public at fixed prices ranging from £28 10s. to £51 10s. each. Similarly fitting charges will vary according to the type required by the purchasers, and prices will range between £10 and £20 per unit.

The enforcement of petrol rationing and general wartime conditions has resulted in a drop of approximately 50,000 registrations of motor cars since the commencement of the war. From 557,488 cars registered in September, 1939, the figures increased to 565,668 in March, 1940, but since the tightening-up of petrol rationing there has been a steady decline, and by August registrations had dropped to 509,544. Sales of new motor vehicles are practically at a standstill and, compared with 73,547 new cars sold in 1928-29 and 3,023 in the first month of the war, only 274 new cars were sold in August throughout the Commonwealth.

Latest figures compiled by the Commonwealth Government show that 13,000 gas producers have now been fitted to motor vehicles in the Commonwealth, the increase in the past three months being 5,000. This total includes 1,150 tractors which have been fitted with specially designed producer gas units.

One leading manufacturer is now producing at the rate of 100 units per week, and there are now twenty firms manufacturing units that meet the standards and specifications established by the Supply Department. The position of charcoal supplies is now much better, although there is still some shortage in country districts. The chief producing centre for charcoal is in Victoria, where it is being turned out at the rate of 2,500 tons per month and retails at about 5s. per bag.

### RECORD NUMBER OF SHEEP IN AUSTRALIA

Australia is now estimated to be pasturing about 121,000,000 sheep, the largest total ever recorded, according to official reports. With minor fluctuations the number has advanced 11,000,000 during the past ten years.

The New South Wales total has not varied to any great degree, being approximately between 52,000,000 and 54,000,000, while the number in Queensland has increased by 2,000,000, in Victoria by 4,000,000 and in South Australia

by 4,000,000: The larger totals have to some degree been caused by the fact that expenses have been rising, and land-holders have as a whole found it necessary to increase their stock in order to maintain reasonable profits. At the same time improved pastures and water supplies have contributed to some extent.

It is stated that this marked increase in sheep has not been at the expense of cattle totals, as a decade ago the Commonwealth pastured 11,294,000 cattle, while latest figures show a total of 13,327,000.

Of considerable interest is the fact that whereas ten years ago Australia produced 2,800,000 bales, the present wool clip is 800,000 bales larger, which would not be justified by the increase in sheep. The increase is largely due to the wool-cutting capacity of the stock being improved, and to the fact that since the outbreak of war wool production figures have been greatly enlarged by domestic fell-mongering of sheepskins, which were previously exported and treated on the Continent.

It is considered likely that Australia will eventually grow a clip of 4,000,000 bales, as, when New South Wales sheep totals rose over the 50,000,000 considerable concern was expressed that the state was overstocked, yet flocks have been maintained above that level for the past ten years, which would indicate that pasturage continues satisfactory.

It is reported that the sale of the Australian clip to the British Government will extend at least until June 30, 1943, and cover four clips, representing a total of approximately 14,000,000 bales worth about £245,000,000 in Australian currency. In addition the British Government is now purchasing sheepskins carrying half an inch of wool and under to ensure adequate supplies of warm woollen apparel during winter hostilities.

### EGYPT'S PURCHASING POWER

LEE KASSARDJI, OFFICE OF CANADIAN TRADE COMMISSIONER

Cairo, November 3, 1941.—Purchasing power of the Egyptian people increased considerably in the six months ending June 30 last, judging by banking statistics and figures of currency in circulation. The bank statistics, which apply only to branches doing business in Egypt, show current accounts, deposit accounts and savings deposits totalling £78,082,000 at the end of June as compared with £68,464,000 at December 31, 1940. Bank notes and other currency in circulation also increased from £43,560,000 at December 31, 1940, to £48,723,000 at June 30, 1941.

The aggregate increase of £14,781,000 is equal to 13 per cent. Since bank deposits and money in circulation usually reach their low point in summer and their maximum in winter, these figures indicate a greater increase in Egyptian purchasing power than a simple comparison of them suggests.

### GUATEMALAN MARKET FOR FOODSTUFFS AND BEVERAGES

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One quetzal equals \$1.10 Canadian; one quintal equals 100 kilos; one kilo equals 2.2 pounds.)

Mexico City, December 16, 1941.—A summary of the imports of Canadian foodstuffs and beverages into Guatemala during the years 1937, 1938, 1939 and 1940 is appended:—



Commodity	1937	1938	1939	1940
	Value in Quetzales			
Fish, shellfish and crustaceans n.o.p., salted, smoked dried or in brine . . . . .	169	....	....	....
Fish, n.o.p., preserved in oil, sauce, or their own juice, raw, cooked or pickled . . . . .	....	....	....	520
Shellfish and crustaceans, n.o.p., preserved in oil, in sauce, or in their own juice, raw, cooked or pickled . . . . .	....	....	41	71
Codfish, dried, salted or in brine . . . . .	....	....	371	685
Maize flour . . . . .	14	....	....	....
Wheat flour . . . . .	37,176	2,128	2,730	16,875
Rye flour . . . . .	....	....	31	....
Cereals, n.o.p., raw, in grain, crushed, perled, hulled, or prepared in a similar manner . . . . .	....	....	1,953	2,908
Cereals, n.o.p., toasted, or cooked in any other form . . . . .	....	....	46	....
Malt, and germinating grains of cereals, n.o.p. . . . .	....	2,816	14,229	23,051
Natural butter made of milk, of all kinds, fresh, salted, blended, or in any other form, in containers of all kinds . . . . .	....	....	127	416
Chewing gum . . . . .	222	....	....	....
Soda crackers . . . . .	....	31	....	....
Simple syrups, n.o.p., with a basis of sugar, n.o.p. . . . .	....	....	312	....
Alcoholic beverages, n.o.p., with an alcohol content up to 50° Gay-Lussac, bottled . . . . .	....	....	....	375
Whisky, in bottles . . . . .	875	533	10,034	21,758
Gin, in bottles . . . . .	11	....	672	911
Sweet and cordial liqueurs, n.o.p., of an alcohol content up to 50° Gay-Lussac, bottled . . . . .	....	....	20	....

### WHEAT FLOUR

Flour is one of the most important foodstuffs imported into Guatemala. The total consumption of imported and domestic wheat flour in Guatemala in 1940 was 233,171 quintals (1,057,391 quetzales) as against 218,453 quintals (1,070,801 quetzales) in 1939.

Although there is a local milling industry, imports of flour have always been in considerable volume, coming chiefly from the United States. Of total imports in 1940 valued at 367,671 quetzales, the United States is credited with 350,796 quetzales and Canada with 16,875 quetzales.

According to an official order, 25 per cent of the wheat used in the Guatemalan baking industry must be of local production. As the Indians raise the wheat in Guatemala, it is of poor quality; on the other hand, the grade of imported flour is generally of good quality. All grades of flour are in demand, the purchasing capacity of the population not being reflected in a demand for an inferior or cheaper grade of foreign flour. Two-thirds of the local imports are sold in Guatemala City, the principal buyers being importers and the larger bakeries.

The bulk of the flour is, of course, consumed in the principal cities. In the pueblos and country districts there is little domestic consumption of wheat flour, maize being the principal cereal consumed.

Many brands of flour are on sale. In the country districts mixing is still done by hand, and the bakers like soft wheat because it is easier to work. In the more modern bakeries in Guatemala City there are mechanical mixers and electric hearths, but generally speaking, the open wood fires are used. The proportions of wheat in the ordinary flour used in the city are: 25 per cent local wheat, 25 per cent imported hard wheat, and 50 per cent imported soft wheat.

Canadian flour exported direct from Canada has to compete with Canadian wheat milled in bond in Buffalo, and it is reported that Canadian wheat has been milled in Texas for sale in Guatemala.

### TERMS OF SALE

Flour being a very competitive product and banking collection charges excessive, exporters of flour to Guatemala have found it necessary to find ways

and means of avoiding these charges. Banking collection commission and incidentals usually amount to around 2 per cent, and if a barrel of flour costs \$7, this means 14 cents a barrel. Business can be lost on a margin of 5 per cent per barrel in Guatemala. Thus, a firm including 14 cents banking expenses has no chance whatsoever against a firm that finds ways to avoid including such an item in the computation of its prices. Flour exporters who have their own offices in Guatemala send their documents to these offices, which make no charge for the collection of funds. The best procedure is for a mill to send the documents direct to its agent, who hands them over to the purchasers against a cheque on New York funds.

Most mills are quoting prices on the basis of remittances through their agents against delivery of their documents. The price quoted is therefore based on that method of payment. If payment is made in New York before date of shipment, then 10 cents per barrel is deducted from the contract price. There are a few purchasing houses in Guatemala City that take sixty days from date of invoice to pay, and in such cases the draft is drawn against them and the documents delivered against acceptance. In that case, of course, additional charge is made for the interest. If such a draft, however, were paid through a bank, the price would be increased considerably on account of the charges involved.

#### PACKING

Packing is an important point. Flour must be put up in 50½-pound drill bags, three of these being enclosed in one jute sack.

#### COMMISSION

The commission usually granted an agent is 20 cents per barrel, without cables. If the agent is reliable, it is not necessary for the mill to insure accounts, for such an action would naturally increase the price, which would have an adverse effect on local sales.

The Trade Commissioner's office has received a number of requests from agents for appointment as representatives of Canadian mills. Canadian flour is well known and favoured in the Guatemalan market, but prices, owing to keen competition and the variety of brands selling, must be held down.

#### FISH

At pre-war prices the demand for fish was larger than at present, but with prices as they are now, sales have fallen off.

Imports of fish into Guatemala during 1940 were as follows, with values credited to individual supplying countries:—

#### *Imports of Fish into Guatemala in 1940*

		Imports by Countries	Total Imports Quetzales
Caviar and imitations of same . . . . .	United States . . . . .	308	
	Norway . . . . .	9	
	Russia . . . . .	600	
	Sweden . . . . .	10	927
	Mexico . . . . .	13	13
Fish ova, n.o.p. . . . .			
Fish, shellfish and crustaceans n.o.p., dead, in their natural state, scaled or emptied, without further pre- paration . . . . .	Belize . . . . .	22	
	United States . . . . .	263	285
Fresh oysters, without shell . . . . .	United States . . . . .	1,328	1,328
	Canada . . . . .	685	
	United States . . . . .	2,367	
Codfish, dried, salted or in brine . . . . .	Norway . . . . .	1,149	4,201



		Imports by Countries Quetzales	Total Imports Quetzales
Fish and shrimp, dried, originating from the neighbouring Republics ..	United States .. . . .	32	
	Mexico .. . . .	10,276	
	Honduras .. . . .	5	10,313
Fish, shellfish and crustaceans, n.o.p., salted, dried, smoked or in brine..	China .. . . .	167	
	United States .. . . .	967	
	Holland .. . . .	129	
	Hongkong .. . . .	363	
	Mexico .. . . .	71	
	Norway .. . . .	44	
	Portugal .. . . .	30	
	Sweden .. . . .	51	1,822
Sardines, prepared in oil or in sauces	Spain .. . . .	56	
	United States .. . . .	14,226	
	France .. . . .	1,557	
	Holland .. . . .	62	
	Norway .. . . .	1,965	
	Portugal .. . . .	49	17,915
Prepared codfish, packed in air-tight containers, and pastes of fish, shell- fish and crustaceans .. . . .	United States .. . . .	45	
	Italy .. . . .	25	
	Norway .. . . .	9	79
Fish, n.o.p., preserved in oil, sauce, or their own juice, raw, cooked or pickled .. . . .	Canada .. . . .	520	
	China .. . . .	16	
	Spain .. . . .	417	
	United States .. . . .	2,206	
	Hongkong .. . . .	28	
	Italy .. . . .	396	
	Mexico .. . . .	43	
	Norway .. . . .	315	
	Portugal .. . . .	252	
	Sweden .. . . .	48	4,241
Shellfish and crustaceans, n.o.p., pre- served in oil, in sauces or their own juice, raw, cooked or pickled .. .	Canada .. . . .	71	
	Spain .. . . .	127	
	United States .. . . .	1,335	
	Japan .. . . .	46	
	Portugal .. . . .	48	1,627

The Indo-Latin in Central America has never learnt to consume dried fish like the European. His tendency is to buy, if he can afford it, United States brands of canned fish. The canned fish that sells in greatest volume in Guatemala is the California sardine in tomato sauce packed in a 15-ounce, oval flat tin. Canned lobster from Nova Scotia is sold mostly through commission houses in New Orleans. The demand, however, is small, as fresh lobsters can be obtained. Despite a plentiful supply of shrimps, American houses have sold canned crabs and shrimps. This is due to the fact that in the distant coffee fincas, the fresh fish are not always obtainable in good condition, while a tin of canned shrimps can be taken from the ice-box and used at once.

Canned oysters meet with a fair sale, but there is only a small market for canned clams. The market for canned salmon is chiefly catered to by American houses in San Francisco. In this line, as in many others, the main difficulty confronting Canadian exporters is a lack of direct communications with Central America, so that they are dependent upon commission houses in territory to the south. There are, however, direct shipments of canned salmon and other fish from Vancouver, but the volume is far less than the commission house business of San Francisco. All the San Francisco commission houses are represented in Guatemala City and vicinity, and importers place orders directly with them. The most popular size is the 1-pound tall. Pink or chum salmon is chiefly in demand, the sale of sockeye being limited. In the past, sockeye arrived chiefly through an English packing house. There always will be a substantial demand for cheap sardines, but the Californian product has killed the trade in Portuguese and French sardines, except for the upper classes.

It must be remembered that, like all Indo-Latin countries, the large majority of the population do not eat fish. This is due chiefly to its cost, as high duties and transportation costs add to the price. The average Indian will always be averse to buying white man's food. Another factor militating against the importation of fish is that all the ports of entry are on the coast, where the climate is tropical and there are no cold-storage facilities. Consequently a shipment of fish that is delayed at the port of entry arrives in the Capital in an inedible state.

The market for fish of all types of Guatemala, is thus very limited, and is practically restricted to the demand from foreigners.

### PACKING-HOUSE PRODUCTS

Importation of packing-house product into Guatemala is on a limited scale, comprising lard, bacon, ham, etc. The principal product imported is pork lard. The United States is the chief source of supply, now that Holland, Germany and Denmark are out of the market.

### PACKING

Tropical packing must be employed. All hams and sides should be wrapped in paper, and special, kiln-dried salt used in the boxes.

Following are the packing-house products imported into Guatemala during 1940, with figures for individual sources of supply:—

### *Imports of Packing-house Products into Guatemala in 1940*

		Imports by Countries Quetzales	Total Imports Quetzales
Fresh meat, chilled or preserved in salt, also fresh meat n.o.p. . . . .	United States . . . . .	1,777	1,777
Bacon and ham, in packages n.o.p. . .	Denmark . . . . .	272	
	United States . . . . .	10,094	
	Finland . . . . .	43	
	Holland . . . . .	1,251	
	Hongkong . . . . .	5	
	England . . . . .	105	
	Italy . . . . .	51	11,821
Bacon and ham in air-tight containers	Denmark . . . . .	36	
	United States . . . . .	1,682	
	Mexico . . . . .	5	1,723
Meats, dried, smoked or sun-cured and those n.o.p., packed in air-tight con- tainers . . . . .	Argentina . . . . .	29	
	Brazil . . . . .	290	
	China . . . . .	33	
	United States . . . . .	1,017	
	France . . . . .	29	
	Uruguay . . . . .	245	1,634
Sausages and saveloys of all kinds, in packing n.o.p. . . . .	Denmark . . . . .	15	
	United States . . . . .	1,793	
	Italy . . . . .	192	2,000
Sausages and saveloys, poultry and feathered game, and meats, n.o.p., in air-tight receptacles or containers, preserved, or prepared in forms n.o.p., with or without vegetables..	Argentina . . . . .	15	
	United States . . . . .	3,673	
	France . . . . .	9	
	Hongkong . . . . .	127	
	England . . . . .	11	
	Mexico . . . . .	81	3,916
Alimentary pastes, extracts, essences and juices, n.o.p., obtained from meats of all kinds, marrow or bones in the form of liquids, solids or powders, in any kind of container..	United States . . . . .	486	
	France . . . . .	33	519
Pork lard . . . . .	United States . . . . .	19,280	19,280



## DAIRY PRODUCTS

The imports of dairy products into Guatemala during 1940 were as follows:—

*Imports of Dairy Products into Guatemala in 1940*

		Imports by Countries	Total Imports Quetzales
Milk and cream, dehydrated, in powder, unmixed with any other substances . . . . .	Argentina . . . . .	47	
	United States . . . . .	26,696	
	Mexico . . . . .	13	
	Switzerland . . . . .	159	26,915
Milk and cream, dehydrated, in powder, mixed with other substances, n.o.p. . . . .	Argentina . . . . .	405	
	United States . . . . .	2,661	
	Switzerland . . . . .	2,300	5,366
Milk and cream, evaporated or condensed . . . . .	Denmark . . . . .	750	
	United States . . . . .	9,742	
	Holland . . . . .	1,530	12,022
Natural butter made of milk, of all kinds, fresh, salted, blended or in any other form, in containers, of all kinds . . . . .	Canada . . . . .	416	
	United States . . . . .	9,619	
	Holland . . . . .	2	10,037
Cheese, n.o.p., in packing . . . . .	Germany . . . . .	19	
	Argentina . . . . .	25	
	United States . . . . .	11,041	
	France . . . . .	36	
	Holland . . . . .	911	
	Italy . . . . .	3,321	
	Mexico . . . . .	15	
	Norway . . . . .	6	
	Switzerland . . . . .	404	15,778
Cheese, n.o.p., in air-tight packing or containers . . . . .	Germany . . . . .	14	
	United States . . . . .	158	
	France . . . . .	11	
	Holland . . . . .	22	205

Excellent locally manufactured butter is available in many places; in fact the standard of butter production in Guatemala is much higher than in Mexico.

As shown in the foregoing table, the United States and Italy formerly did the bulk of the business in cheese. All cheese imports now come from the United States. Local production has been encouraged by the war, which has stopped all imports of European cheese. Two new types of excellent cheese were shown at the Guatemalan Fair this year, but they have yet to find favour with the majority of Guatemalan purchasers.

Like Switzerland, this country can produce all the butter and cheese it needs. Among other locally produced cheeses, there is a Dutch cheese of the Gouda type and a yellow Gruyere type.

The demand for canned imported butter comes only from the tropical districts and from communities of foreigners.

## GROCERIES

A demand has been developed for a wide line of groceries, particularly in the Capital. These are United States products, such as shortening, biscuits, canned fruits, condensed and evaporated milk, cereals, breakfast foods, sauces, pickles, and sundry other grocery lines. The bulk of these imports come from San Francisco, and are routed to the Capital via San José.

The consumption of porridge and other breakfast cereals is extensive in the higher altitudes, due undoubtedly to climate.

Canada may be able to do business in a number of lines, such as biscuits, chocolates, sauces, etc. One point that should be noted in the food product trade is the large use of glassine and wax papers in packing foodstuffs so that they can be handled. In regard to the hygienic packing of foodstuffs, Guatemala is one of the leading countries of Central America. Even foodstuffs on Indian stalls are covered with muslin to keep the flies away, a sanitary method unknown in Mexico.

Prepared French mustard in bottles of two ounces capacity and upward is in demand, and agents are desirous of arranging contracts with Canadian exporters. There is also a good demand for chocolates. Packing must be in boxes with a picturesque label, and one peculiarity of the market should be noted: the two-pound box must be packed flat, that is, in one layer, thus showing as large a number of chocolates as possible. There is a good opportunity for sales of a line of confectionery similar to Pascal's sweets (mints, marshmallows, etc.) packed in bulk, that is, in 25-pound boxes.

Cream crackers have in the past come from the United Kingdom, whilst soda crackers have been supplied entirely from the United States. There is a good market for cinnamon, should Canada be able to supply.

There is a market opportunity for Canadian tea provided it is a blend of Java and Sumatra. Blends of tea from British possessions, such as India, Ceylon, etc., are still subject to the 100 per cent duty, which, although it has been removed from goods from the United Kingdom, still remains on Crown Colony goods. It should be noted that there is also a local production of tea by a German firm at Champerico. This tea, however, is not popular at present; the natives prefer the English brands.

Table salt is now produced in Guatemala and there is not much opportunity for a competitive Canadian product.

There is a large volume of business done in the grocery stores in Guatemala in corn oil for cooking. It is mostly imported from one large firm in the United States. The packing is 10 one-gallon cans to the case.

Canadian firms may be able to obtain some business in fruit juices. There is a large demand for fruit juices in bottles of  $\frac{1}{16}$ ,  $\frac{1}{8}$ ,  $\frac{1}{4}$ ,  $\frac{1}{2}$  and 1 litre. The principal juices imported are grapefruit and apple.

#### IMPORTS

Total values of imports of grocery items and values for individual supply-countries in 1940 were as follows:—

#### *Imports of Groceries into Guatemala in 1940*

		Imports by Countries	Total Imports Quetzales
Cocoa, prepared, with sugar or without, in powder, tablets or pills. . . . .	United States . . . . .	1,518	
	Holland . . . . .	66	1,584
Preparations with a basis of cocoa with malt, eggs, or other strengthening substances . . . . .	United States . . . . .	1,832	
	Switzerland . . . . .	1,734	3,566
Chocolate for industrial use, in cakes of 1 kilo net, minimum weight, and chocolate in the form of a soft paste, in tins, for the same use . . . . .	United States . . . . .	677	
	Switzerland . . . . .	7	684
Green or black tea, originating in China, India or Ceylon . . . . .	China . . . . .	171	
	United States . . . . .	615	
	Hongkong . . . . .	105	
	England . . . . .	76	
	British India . . . . .	2,850	
	Dutch Indies . . . . .	1,163	4,980



		Imports by Countries Quetzales	Total Imports Quetzales
Prepared mustard . . . . .	United States . . . . .	643	
	Italy . . . . .	12	655
Cinnamon, in its natural state, or in powder . . . . .	Germany . . . . .	21	
	United States . . . . .	1,674	
	British India . . . . .	2,406	
	Dutch Indies . . . . .	7,221	11,322
Extracts of herbs and fruits, intended for the manufacture of aerated beverages . . . . .	United States . . . . .	6,941	6,941
Flavouring extracts, n.o.p., suitable for culinary purposes, with alcohol or without, and natural or synthetic fruit essences for the preparation of syrups and aerated waters, includ- ing those prepared with a basis of ethers, and essences for wines, liqueurs, and tobaccos . . . . .	Germany . . . . .	260	
	United States . . . . .	4,321	
	France . . . . .	60	
	Holland . . . . .	323	
	England . . . . .	90	
	Mexico . . . . .	114	
	Switzerland . . . . .	213	5,381
Colouring materials, n.o.p., non-poison- ous, suitable for human consump- tion, in any form . . . . .	Germany . . . . .	96	
	United States . . . . .	1,725	
	Holland . . . . .	690	
	England . . . . .	6	
	Mexico . . . . .	201	2,718
Vegetable fats, n.o.p. . . . .	United States . . . . .	22,451	
	Philippines . . . . .	101	
	Holland . . . . .	220	22,772
Preserves and pickles of vegetables, mushrooms, fruits and nuts, n.o.p., packed in containers n.o.p. . . . .	China . . . . .	145	
	United States . . . . .	9,648	
	Spain . . . . .	31	
	Hongkong . . . . .	135	
	Italy . . . . .	230	
	French Morocco . . . . .	36	
	Mexico . . . . .	281	
	Portugal . . . . .	30	10,536
Soda crackers . . . . .	United States . . . . .	4,873	
	Ireland . . . . .	101	4,974
Crackers and biscuits, n.o.p. . . . .	United States . . . . .	1,994	
	England . . . . .	5	
	Ireland . . . . .	281	
	Mexico . . . . .	21	2,301
Chocolates of all kinds, in packing n.o.p. . . . .	Germany . . . . .	219	
	Argentina . . . . .	133	
	United States . . . . .	2,460	
	Italy . . . . .	1,212	
	Mexico . . . . .	9	
	Switzerland . . . . .	436	4,469
Chocolates of all kinds in fancy pack- ings . . . . .	United States . . . . .	150	150
Jams, jellies, sweets, sweetmeats, can- dies and caramels, n.o.p.—manuf- actured with a basis of sugar and crystallized fruits, in containers n.o.p. . . . .	Germany . . . . .	18	
	Argentina . . . . .	261	
	United States . . . . .	5,507	
	Spain . . . . .	194	
	France . . . . .	322	
	Holland . . . . .	58	
	England . . . . .	111	
	Italy . . . . .	1,375	
	Jamaica . . . . .	31	
	Mexico . . . . .	7	7,884
Fresh bread and beer yeast . . . . .	United States . . . . .	423	423

## ALCOHOLIC BEVERAGES

There is a substantial demand for all kinds of hard liquors in Guatemala. The native Indian and members of the labouring class drink a local "aguardiente", which is sold in large quantities and provides a substantial portion of the revenue of the country through excise tax. The production of aguardiente for 1940 amounted to 3,573,163 litres, the tax return totalling 1,469,248 quetzales.

Apart from the consumption of the domestic product, there is a demand from the wealthier elements of the population for foreign beverages, brandy being most commonly consumed. Beer is imported from the United States and Mexico, and there is also a domestic brewing industry. All brands of Scotch whiskies are sold, and there is a large consumption by the foreign population. Canadian whiskies are also well known, and Canada's total sales have been increased as a result of recent imports of a Scotch-type whisky made in Canada. This importation is due to the fact that it is now difficult to obtain Scotch whisky from the United Kingdom.

Following are imports in 1940 of the principal alcoholic beverages, with figures for individual countries of supply:—

*Imports of Alcoholic Beverages into Guatemala in 1940*

		Imports by Total	
		Countries Imports	Quetzales
Alcoholic beverages, n.o.p., with an alcohol content up to 50° Gay-Lussac, bottled . . . . .	Germany . . . . .	69	
	Canada . . . . .	375	
	Spain . . . . .	2,113	
	United States . . . . .	148	
	Holland . . . . .	323	
	England . . . . .	327	3,355
Whisky in bottles . . . . .	Canada . . . . .	21,758	
	Scotland . . . . .	13,587	
	United States . . . . .	2,735	
	Holland . . . . .	1,681	
	England . . . . .	30,172	69,933
Gin in bottles . . . . .	Canada . . . . .	911	
	Scotland . . . . .	13	
	United States . . . . .	181	
	Holland . . . . .	217	
	England . . . . .	500	1,822

## NON-ALCOHOLIC BEVERAGES

In addition to the aforementioned liquors, a number of mineral waters are imported owing to the difficulty of obtaining European waters. Canadian waters and ginger ales and other non-alcoholic beverages are being sold in increasing quantities.

Concentrated fruit and vegetable juices for the manufacture of aerated beverages were imported in 1940 as follows:—

*Imports of Fruit and Vegetable Juices into Guatemala in 1940*

		Imports by Total	
		Countries Imports	Quetzales
Natural fruit and vegetable juices of all kinds . . . . .	United States . . . . .	3,643	3,643
Concentrated juices of fruits or artificial flavours, suitable for the manufacture of aerated waters . . . . .	United States . . . . .	822	
	El Salvador . . . . .	220	
	Mexico . . . . .	38	1,080



## MALT

The local brewing industry affords a fair market for malt. This product originally came from Czechoslovakia, but Canadian malt is now well known on the market and is preferred to that from the United States. For the latest recorded sales of American malt the price was \$9.90 per 100 kilos c.i.f. Puerto Barrios. The total value of imports in 1941 of malt and germinated grains of cereals n.o.p. was 29,814 quetzales, distributed as follows by countries of supply: Canada, 23,051 quetzales; Chile, 6,720 quetzales; and United States, 43 quetzales.

## HOPS

Imported hops are required by the brewing industry. Formerly supplies came chiefly from Europe, but importers have shown an interest in Canadian hops. The latest price for United States hops is \$70 per 50 kilos c.i.f. San José. Supplies for this market must be packed in tin-lined cases, not in water-proofed paper and double jute sacks. Imports of hops, fresh or dried, in 1940 were valued at 9,522 quetzales, the supplying countries being: Belgium, 5,564 quetzales; United States, 2,612 quetzales; and Holland, 1,346 quetzales.

## LABOUR REQUIREMENTS IN THE UNITED KINGDOM

*FROM The Times Trade and Engineering*

The total of men and boys registered as wholly unemployed has fallen below 100,000 for the first time since comprehensive figures were recorded. Nearly 29,000 of these are men normally unemployable, and a large part of the rest are men transferring from one job to another, although this industrial "turn-over" is not indicated by the Ministry. The "wholly unemployed" women and girls at the date when the latest count was taken numbered 88,816, and the Ministry is satisfied that the only means of meeting the needs of the women's services and of industry is to transfer large numbers of women from the less essential occupations.

The Minister has announced that he wants at least 1,000,000 married women to work full time or part time either in munition works or in commercial undertakings, and he has asked employers to utilize them so as to release young mobile women. It was subsequently stated that every unmarried woman of 20 to at least 25 must expect to be called on to help in the war effort unless she is already engaged in a small number of vital industries such as aircraft manufacture, electric cable making, engineering, armaments and munitions, radio manufacture, ordnance factories, the manufacture of tanks and tank parts, and transport.

Meanwhile an acute shortage of labour has arisen in the severely "telescoped" cotton industry. It is stated that for this reason the nucleus mills are for the most part unable to run at the capacity required to supply essential needs which are likely to be increased by Russian and other Allies' requirements. A campaign has consequently been launched to induce operatives who did not seek any other employment when their mills were stopped to go into the nucleus mills.

In order to maintain the supply of "utility" garments in face of the general limitation of supplies and labour the Board of Trade are giving special privileges to firms engaged 75 per cent or more on the production of "light" clothing of general utility. These will have protection for their labour, including women in the 20 to 25 age group. In both the "light" and "heavy" sections of the trade firms engaged 75 per cent or more on utility clothing and Government and export orders combined will secure similar protection, excepting only the women in the 20 to 25 age group. The protection means that the Ministry of Labour

will not take a workwoman from the designated firms without first providing a substitute.

About 12,000 women are to be withdrawn from the wool textile industry before the end of January.

Last month employers of building and civil engineering labour in all industries (other than building and civil engineering contractors) were required to make a return of the number and the trades of the persons in their employment. The jump of five years or more in the reservation ages in building and civil engineering occupations will release a large number of men for the armed forces or munitions work.

## NOTES ON TRADE AND INDUSTRY

### WIDER USE OF TRACTORS IN INDIA

During the past three years there has been a steady increase in India's imports of agricultural machinery and implements, including tractors and their parts. The bulk of these imports, indeed, consist of tractors, most of which come from the United States. Industrial tractors, which have been in greater demand in recent years for road construction and other purposes, have recently been bought on an important scale by the Government for defence needs. While tractors are not manufactured in India, it has been stated that efforts are being made to assemble artillery tractors in some of the railway engineering works.

The main buyer of agricultural tractors is normally the sugar industry, particularly in the United Provinces and Bihar, but the present unsatisfactory conditions in the industry have affected this market, while the low prices for cotton, seeds, and other agricultural products, combined with the repercussions of the war, have checked demand in other parts of the country. Sales of heavy-duty tractors (generally of the crawler type) have, however, greatly helped to offset the decline in agricultural demand.—*The Times Trade and Engineering*.

### RECORD COPPER EXPORTS FROM CHILE

Chile's exports of copper to the United States have reached a record figure, with negotiations proceeding for the purchase by that country of Chile's entire output of minerals of strategic importance. Shipments of nitrate during the current season have also been higher, especially to the United States for defence supplies. As the British Board of Trade has granted rather more export licences to Chile, importers are now making requests for commercial credits, and increased sales of sterling are expected in the near future. In Peru, also, the sterling situation is much easier. Exports continue at high levels, with a much more favourable trade balance this year than last. Local manufacture shows expansion, particularly cement, soap, perfumery, and various pharmaceutical preparations, leather, glass, paint, sawmills, candles, confectionery, and paper.—*The Times Trade and Engineering*.

### PRODUCTION AND USE OF SISAL

Under the former name of henequen, by which it is still known in the place of its origin, namely, Mexico, sisal must be classed as a raw material of some antiquity. Exactly for how long fibre from leaves of the agave family has been used industrially cannot be said, but certainly it was of prominence during the Aztec civilization. Cultivation of henequen was begun in East Africa towards the close of the last century, and in both Tanganyika Territory and Kenya Colony the output of sisal has attained considerable proportions. Cultivation has been also undertaken elsewhere, but, excepting in the Nether-



lands East Indies, upon a small scale. East Africa, Mexico and the Netherlands East Indies were responsible for 95 per cent of the world's annual sisal output before the war, the proportions being, respectively, 45 per cent, 28 per cent and 22 per cent.

Although research work has indicated a variety of possible uses for sisal, the main employment so far has been overwhelmingly for ropes and cordage, where in manila fibre it has had to compete with an old-fashioned and formidable rival. Manila was held to resist much better than sisal the effects of immersion—a very important factor when ropes are for marine purposes. Claims made in this connection on behalf of manila were challenged by sisal growers, and a number of immersion tests were made by Admiralty and other authorities. The final outcome of the controversy had not been reached when war was declared. Certainly, the use of sisal is now permitted in a wide range of naval specifications and the admixture of sisal with manila is allowed in large-size ropes.—*The Statist*.

### IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared in the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 31, 1941:—

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada Dec. 31, 1941	
				Quantity	Per Cent
Cattle (700 lb. or more) . . . . .	Head	225,000	3 to 1½c. per lb.	148,407	65.9
Cattle (less than 200 lb.) . . . . .	Head	100,000	2½ to 1½c. per lb.	100,000	Quota filled
Whole milk . . . . .	Gal.	3,000,000	6½ to 3¼c. per gal.	6,360	....
Cream . . . . .	Gal.	1,000,000	56¼ to 28¾c. per gal.	1,288	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk, and rosefish . . . . .	Lb.	15,000,000	2½ to 1½c. per lb.	9,989,853	66.5
Seed potatoes . . . . .	Bu.	1,500,000 beginning Sept. 15, 1941	75 to 37½c. per 100 lb.	161,557	10.7
White or Irish potatoes, other than seed potatoes . . . . .	Bu.	1,000,000 beginning Sept. 15, 1941	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	16,952	1.7
Red cedar shingles . . . . .	Sq.	2,488,359	Free	2,488,359	Quota filled
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins . . . . .	No.	100,000 beginning Dec. 1, 1941	50 to 35 per cent ad val.	10,587	10.5
Tails . . . . .	Piece	5,000 beginning Dec. 1, 1941	50 to 35 per cent ad val.	5,000	Quota filled

\* The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the fourth quarter of 1941 Canada shipped 51,720 head of cattle weighing 700 pounds or more, other than dairy cattle, to the United States and thus filled the quarterly quota allotment provided by the United States. The fourth quarter allotment of 6,212 head from countries other than Canada was also filled. Receipts over and above the allotments were subject to the full rate of tariff.



## CONTROL OF EXPORTS FROM CANADA

### ADDITIONS TO LIST OF PRODUCTS FOR WHICH A PERMIT TO EXPORT IS REQUIRED

Under three recent Orders in Council, effective on three different dates, thirteen items have been added to the list of commodities which may not be exported from Canada except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa.

Under Order in Council P.C. 327 of January 16, 1942, the following have been added, effective on and after January 22, 1942:—

#### GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Plywood.

Veneers.

(By Export Permit Branch Order No. 21, issued by the Minister of Trade and Commerce, an export permit will not be required for plywood and veneers when shipped to any part of the British Empire.)

#### GROUP 5—IRON AND ITS PRODUCTS

Axes.

Internal combustion engines n.o.p.

Lawn mowers.

Machinery and parts n.o.p. over \$25 in value.

Pipe fittings.

Shingles, laths and corrugated roofing, metallic.

Skates.

Steam engines.

Springs, furniture, including mattress springs.

Under Order in Council P.C. 328 of January 16, 1942, the following is added, effective on and after February 1, 1942:—

#### GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Pulpwood of spruce, balsam, hemlock, jack pine or poplar, either in the form of cordwood or logs, produced in any part of Canada.

Under Order in Council P.C. 396 of January 17, 1942, the following was added, effective on and after January 19, 1942:—

#### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Potatoes in their natural state, except certified seed potatoes.

(By Export Permit Branch Order No. 22, issued by the Minister of Trade and Commerce, an export permit will not be required for this commodity when shipped to any part of the British Empire.)

According to a statement issued by the Minister of Trade and Commerce, pulpwood has been placed under export control because of an apparent shortage of this material, resulting from increased demand in Canada and the United States, and of consequent rising prices. Applications for permits to export pulpwood will be referred by the Export Permit Branch of the Department of Trade and Commerce to the Timber Controller of the Department of Munitions and Supply.

As regards the adding of potatoes, other than seed potatoes, to the export permit list, the Minister of Trade and Commerce stated that this action has been taken at the request of the Wartime Prices and Trade Board and that permits will be granted by the Export Permit Branch only upon the recommendation of the Foods Administrator of that Board.

## TRADING WITH THE ENEMY

The provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) have been extended to and are deemed to apply to Thailand and Hongkong as enemy-occupied territory, from and including December 22, 1941, in the case of Thailand, and from and including December 24, 1941, in the case of Hongkong.

## INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1941 (Nos. 1953 to 1978 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes, or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### RE-SALE PRICES FOR MALTING BARLEY

E. L. McColl, Canadian Trade Commissioner, Dublin, advises that the Minister for Agriculture in Eire has made an Order dated November 28, 1941, fixing re-sale prices for malting barley by authorized purchasers at 34s. 11d. per barrel of 16 stones for artificially dried barley, and 31s. 6d. per barrel for barley not so dried. These prices will be in operation from November 28, 1941, to February 28, 1942. After that date the corresponding prices will be 35s. 6d. and 32s. 1d. per barrel respectively. For the month of August, 1942, the prices revert to those fixed for the first-mentioned period.

### Australia

#### IMPORTS UNDER ADMINISTRATIVE CONTROL: CORRECTION

With reference to the article in *Commercial Intelligence Journal* No. 1980 (January 10, 1942), page 43, based on a cabled report and enumerating various classes of goods not to be licensed in Australia for importation from non-sterling countries, later information has been received that most of those goods have only been placed under "administrative control". This applies to the entire list as published, except canned salmon. As regards the goods under "administrative control", applications for licences are dealt with on the merits of each application for licence as made by the importer.

### British Guiana, Trinidad and Jamaica

#### STATUS OF CALENDARS UNDER IMPORT CONTROL REGULATIONS

G. A. Newman, Canadian Trade Commissioner in Port of Spain, Trinidad, reports that advertising calendars and diaries, where no currency is involved, may be imported into British Guiana and Trinidad without being debarred under the import licensing system in force in these colonies.

The Canadian Trade Commissioner in Jamaica has advised that advertising calendars and other free advertising matter, when sent through the post, were being admitted without restrictions, but that in the case of larger lots forwarded by freight, import licences would be required, and these should be obtained before the shipment is actually made. Each application for import licence is to be dealt with on its merits.



## Grenada

### TARIFF CHANGES

An ordinance of Grenada (B.W.I.), dated November 28, 1941, increased the duty on the following items:—

	Former Rates		New Rates	
	British Tariff	General Tariff	British Tariff	General Tariff
Common soap. . . . .per 100 lbs.	2s.	3s.	4s.	5s.
Leaf tobacco, other than Black Tiger, Black Lion and Black Beaver..per lb.	1s. 9d.	1s. 9d.	5s.	5s.
Cigarettes . . . . .per lb.	10s.	14s.	11s. 8d.	15s. 8d.
Motor spirits . . . . .per gal.	11d.	1s. 4½d.	1s. 2d.	1s. 9d.

The British preferential tariff applies to Canada and other parts of the British Empire. The general tariff applies to all other countries.

## Newfoundland

### FOREIGN EXCHANGE CONTROL REGULATIONS

The Foreign Exchange Control Board of Newfoundland has announced that on and after January 12, 1942, no import licence (Form E—Revised) is required in respect of (a) goods imported direct from the sterling area or for goods originating in the sterling area imported into Newfoundland from a country outside the sterling area; (b) goods imported direct from Canada, or for goods originating in Canada imported into Newfoundland from a country outside Canada.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Brazil

#### L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

Rio de Janeiro, January 5, 1942.—There have been no changes in Brazilian exchange regulations in recent months, but a constant improvement in Brazil's balance of payments has allowed a more liberal interpretation of existing regulations in some cases. There is no difficulty or undue delay involved in obtaining exchange for payment of imported goods and, so far as exchange risk is concerned, Canadian exporters need feel no concern whatsoever in granting terms of cash against documents.

Regarding exchange futures to cover imported goods in the form of letters of credit payable before receipt of the goods in Brazil, these can only be obtained if the Exchange Department of the Bank of Brazil is convinced that the goods involved are of prime necessity to the well-being or the defence of the country and even then that they cannot be obtained under more favourable payment terms from any other source. Such futures have been granted in greater quantity recently in view of the greatly improved exchange situation, but always subject to the above conditions, so that Canadian exporters should not hope to obtain such terms except under similar circumstances. It is reported that in recent weeks importers have been authorized to make payment for goods and equipment to United States manufacturers prior to manufacture of the goods. These, however, are isolated instances in which goods of paramount importance to the economy or defence of the country are urgently needed and cannot be obtained under any other terms. They are mentioned only to illustrate the continued improvement in the exchange situation.

In practice exporters dealing with reliable firms should not hesitate at the present time to grant terms of cash against documents, as there is an ample supply of exchange to meet all commercial obligations. Insistence on letter of credit terms might result in loss of business unless the exporter is in a very strong competitive position, since the difficulties and formalities involved in obtaining exchange under these terms will usually cause the importer to look for other sources of supply if these are available.



The exchange quotas granted last month for the payment of obligations other than of a commercial nature amounted to \$1,500,000 and £400,000. These sums are made available in part for the payment of interest and dividends on certain classes of obligations and reflect the improvement in the situation. Quotas have not yet been determined for the present month, but it is felt in some circles that the supply of exchange available would justify considerably larger allotments.

### Cuba, Haiti, Dominican Republic, Puerto Rico, and U.S. Virgin Islands

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, January 2, 1942.—There are no official exchange restrictions of any kind in force at present in the five countries named above which might affect the collection of bills drawn on importers therein by persons abroad, and the former can obtain foreign exchange requirements freely for shipments from Canada.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 19, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Jan. 19, 1942, and for the week ending Monday, Jan. 12, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 12	Nominal Quotations in Montreal Week ending Jan. 19	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2614	.2631	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6325	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5822	.5823	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Straits Settlements . . . . .	Dollar	.5678	.5256	.5233	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
New Glasgow, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.

St. Mary's, Ont.  
Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Stearic Acid for Use in Match Making.....	3682	Sydney, Australia.....	Purchase and Agency.
Vitamins (B particularly).....	3748	Guatemala City, Guatemala.....	Agency.
Ampoules.....	3766	Guatemala City, Guatemala.....	Agency.
Esparto Papers and Boards.....	3781	Glasgow, Scotland.....	Purchase.
Boards, Mechanical Wood Pulp; Kraft Liner; Boxboard; Fibre Board.....	3782	Glasgow, Scotland.....	Purchase.
Wood-free Papers.....	3783	Glasgow, Scotland.....	Purchase.
Wrappings in Sheets and Reels..	3784	Glasgow, Scotland.....	Purchase.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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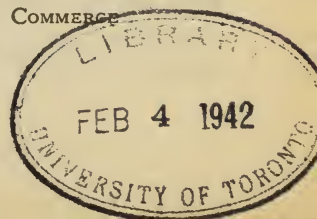
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L. D. WILGRESS, DEPUTY MINISTER



## BERMUDA IMPORTS UNDER WARTIME CONDITIONS

D. S. COLE, CANADIAN TRADE COMMISSIONER

(Currency conversions in this report are at the rate of one pound to \$4.47 Canadian)

New York, January 23, 1942.—A recent report issued in Bermuda on the operations of the Wartime Food and Supplies Control Board during the first ten months of 1941 as compared with the corresponding periods of 1939 and 1938, indicates that there has been a large advance in imports from Canada and the United States and that imports from the United Kingdom have fallen below normal peacetime totals. The increase in receipts from Canada is attributed to the fact that Bermuda merchants, unable to obtain their requirements from Great Britain because of shipping and wartime difficulties, have turned to Canada for their needs. The increase in imports from the United States can be attributed almost wholly to the establishment of United States bases in Bermuda and to the large flow of base workers and Army-Navy personnel from the United States.

The following table shows the Bermuda imports from Canada, the United States and the United Kingdom for the first ten months of 1941 and for the corresponding periods of 1939 and 1938:—

### *Imports into Bermuda, January-October, 1941, 1939 and 1938*

	Jan.-Oct., 1941	Jan.-Oct., 1939	Jan.-Oct., 1938
Canada . . . . .	\$1,855,719	\$1,073,559	\$1,036,794
United States . . . . .	3,982,935	3,031,818	3,116,157
United Kingdom . . . . .	1,699,646	1,591,257	2,084,942

### IMPORTS FROM CANADA

During the January-October period of 1941 imports from Canada increased in value by \$782,160 or 72.8 per cent over the 1939 total, and by \$818,925 or 78.9 per cent over the 1938 value. These increases were accounted for by large gains in imports of food supplies, hardware, paints and lumber.

### IMPORTS FROM THE UNITED STATES

Bermuda imports from the United States for the first ten months of 1941 increased by \$951,117 or 31.3 per cent in value over the corresponding figure for 1939, and by \$766,778 or 24.9 per cent over the value for the like period of 1938. The gains were registered principally in food supplies and groceries, dry goods, druggists' supplies, hardware and building materials, lumber and liquor.

### IMPORTS FROM THE UNITED KINGDOM

Imports from the United Kingdom for the January-October period of 1941 rose in value by \$108,389 or 6.7 per cent over the corresponding amount for 1939. On the other hand, they were \$385,296 or 18.4 per cent below the 1938 import value, the 1939 imports from the United Kingdom being \$493,685 or 23.6 per cent below the corresponding import value for 1938.



## COOPERAGE TRADE OF BARBADOS

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, January 14, 1942.—Nine to ten million gallons of molasses are exported from Barbados each year. These shipments represent 30 to 50 per cent of the value of the Colony's exports, and their preparation for export is one of the main sources of employment in an island where unemployment is a pressing problem.

Of the three types of molasses produced, fancy molasses is the most important. It is made from the pure cane juice extracted mainly in the numerous windmill and small steam plants of the Colony, the 8,489,435 gallons thus produced in 1940 constituting 84.2 per cent of the total molasses exports for the year. Choice molasses, a residue from the limited production of muscovado or table sugar, is also obtained in small quantities. Both types are for human consumption. Vacuum pan molasses, which is the residue from the grey sugar production of the large central factories and has a low sugar content, is used in rum distillation and stock feeds. It accounted for 11.5 per cent of the total molasses exports in 1940.

Fancy molasses is exported mainly to Eastern Canada and the United States, choice molasses to Newfoundland, and vacuum pan molasses to the United Kingdom.

From the point of view of Canadian export trade, the main interest in the molasses trade is the market it provides for puncheon and barrel staves.

### CONSUMPTION OF CONTAINERS FOR MOLASSES EXPORTS

Some indication of the size of this market is shown in the following figures of fancy molasses exports for 1940 by containers:—

Destination	Puncheons	Barrels	Half-barrels
Canada . . . . .	48,557	12,616	10,018
United States . . . . .	440	15,791	161
Newfoundland . . . . .	1,667	1,373	868
Total . . . . .	50,664	29,780	11,047

### PURCHASING METHODS

A year or more in advance of production, molasses exporters determine the quantity of puncheons, barrels and half-barrels they are likely to require for the next season's business. Orders for puncheons are placed with the Cooperage Association, comprising the principal puncheon cooperage firms; but certain exporters also undertake the cooperage of their own puncheons. Barrels and half-barrels are purchased as required from the Barbados Cooperage Factory, whose directors estimate the company's needs of cooperage stock.

The cooperage firms, through their Association, allocate the orders for puncheon staves to the resident agents of four stave manufacturers in the Maritime Provinces at present engaged in the trade. Exceptions to this procedure are to be found in the case of one large cooperage firm that purchases its staves direct, and in the cases of those exporters who do their own coopering and who usually order in common through one agent. These exporters ordered 13,000 bundles of puncheon staves for the 1942 crops as compared with 46,000 bundles ordered by the Cooperage Association for the same season, the latter figure including 10,000 bundles ordered direct by the large cooperage referred to above.

### PUNCHEON SPECIFICATIONS

A molasses puncheon has a capacity of 110-115 wine gallons and the following general measurements: overall height, 3 feet 5½ inches; diameter from tip

to tip of stave, 2 feet  $3\frac{1}{2}$  inches; extreme diameter at bilge, 2 feet  $10\frac{1}{2}$  inches; tip of stave to centre of croze, 2 inches; thickness stave and head, 1 inch.

Staves for the manufacture of puncheons must be of birch, free from sap and knots at the bilge. They are supplied straight-edged, 1 inch thick and 44 inches long, 3 to 5 inches wide, with a spread of 132 inches to the bundle, which should contain between 30 and 36 staves. Heads are made locally from imported spruce or white pine.

The staves are ordered for delivery in the period June-September when they are manufactured by hand into puncheons and stored in the lofts of the cooperages, the work giving employment to some three hundred coopers and assistants. During the crop season, which extends from about February to July, the puncheons are delivered to the various estates against the instructions of the exporters to whom the puncheons were allocated.

So far as possible molasses exporters endeavour to use the puncheons for conveying molasses from the estate to the Bridgetown storage tanks a few times before re-coopering them and releasing them for export of molasses overseas.

#### BARREL SPECIFICATIONS

Barrels of 55-gallon capacity and half-barrels of 33-gallon capacity are all made by the Barbadoes Cooperage, an efficient factory in which a United States firm is said to have a considerable interest. To date gumwood staves imported from the southern United States are being used as that wood was considered the most suitable for the purpose. During the past year, however, careful tests were made of Douglas fir staves and these have also proved satisfactory. Tests of birch staves have not given favourable results.

Staves for the manufacture of barrels and half-barrels must be kiln-dried and free from sap and knots, as the barrels are guaranteed leakproof and ready for export use as soon as delivered from factory. The specifications are as follows:—

	Barrel Staves Inches	Half-barrel Staves Inches
Length . . . . .	36	30
Average width . . . . .	$3\frac{1}{2}$	$3\frac{1}{2}$
Thickness . . . . .	$\frac{3}{4}$	$\frac{3}{4}$
Spread . . . . .	82	69
Diameter at head, tip to tip of stave . . . . .	$21\frac{5}{8}$	18

Between 40,000 and 60,000 bundles are ordered each year for delivery according to requirements throughout the year.

#### IMPORTS

The demand for puncheons, barrels and half-barrels provides a steady market for wooden staves, imports of which from 1934 to 1938 inclusive averaged £30,889 in value. Purchases were divided between Canada and the United States in 1939 and 1940 as follows: 1939, Canada, £12,169, and United States, £8,713; 1940, Canada, £35,972, and United States, £17,675.

#### RATES OF DUTY

Imports from Canada have a tariff advantage of 10 per cent, the British preferential rate of duty being 6 per cent and the general rate 16 per cent. In addition, imports from Canada at present have the exchange advantage of about 10 per cent over imports from the United States. All imports are subject also to a package tax of 12 cents per bundle of 36 staves.



## INDIAN MARKET FOR WEARING APPAREL\*

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Rs.1 is approximately equal to Canadian \$0.335)

Bombay, November 18, 1941.—India provides a limited but steady demand for various types of ready-made wearing apparel. Imports of such goods from Canada have not to date reached important values nor comprised a large number of items. The trade has, however, undergone some expansion during the past few years.

### MARKET EXTENT

Indian demand for fully manufactured wearing apparel is based on the requirements of the comparatively small number of European residents and a decidedly minor proportion of the Indian population. Most Indians wear clothes of domestic manufacture and design. Those who affect European style, as well as many Europeans, are accustomed to have some of the ordinary items of apparel made in local tailoring or other establishments, frequently of Indian cloth, leather or other materials. Imported goods are subject to fairly high duties and distributing charges and are generally much more expensive than similar articles of domestic manufacture. Some of them cannot, however, be duplicated as to quality or style in any local establishments. The extent of the market, therefore, is in general very limited. In some cases the business is of definite interest to overseas manufacturers; in others it is of small value.

Imports of various types of wearing apparel have come for the most part from the United Kingdom. Japan has also occupied an important position in this trade, while supplies have been obtained from the United States, Germany, Czechoslovakia, Italy, and France. Detailed statistics of recent Indian imports of wearing apparel are not available, nor is it possible to give such figures for previous years except for a few of the more important items. Among these, for example, is the general classification "apparel, including drapery, uniforms and accoutrements," imports of which in 1938-39 were valued at Rs.2,317,321. These imports came principally from the United Kingdom, Japan, and Burma. Woollen hosiery imports in 1938-39 were valued at Rs.913,549, supplies having been largely of Japanese and United Kingdom origin. Cotton hosiery imports during the same year were worth Rs.597,058, mainly from Japan, Germany, and the United States. Silk and artificial silk hosiery imports reached a combined value of Rs.422,285, Japan and the United Kingdom having been the main sources of supply. Cotton underwear imports, principally of Japanese and United Kingdom manufacture, were valued at Rs.814,357.

The boot and shoe imports, mainly from Czechoslovakia, formerly reached an annual value of over Rs.1,000,000, while smaller quantities of rubber and canvas footwear have been imported from Czechoslovakia and Japan.

These indications of trade values for various items of wearing apparel will give a general idea of the extent of the Indian market for such goods. They should, however, be considered as outside figures, since they comprise substantial values for low-priced lines for consumption by the Indian population. These lines are rarely made in Canada, and the market for them will seldom be of any interest to Canadian manufacturing or export firms.

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\*As its date indicates, this report was written and on its way to Canada about three weeks before Japan embarked on war. The conditions consequent upon this extension of the war must be taken into consideration in assessing the opportunities for Canadian goods as suggested by Mr. Sykes.—Editor.



### PRINCIPAL MARKET CHARACTERISTICS

One of the principal influences on the Indian market for wearing apparel is climate. The heat and humidity experienced throughout the country during the greater part of the year necessitate extensive use of light, cool clothes. It is only in the hill stations and in northern India that there is any demand for apparel similar to that required in more temperate climates.

A further factor is local customs and styles. Owing to the preponderance of the British element among India's European population, styles are English rather than American or European. Due also to traditional British participation in sport and recreation, there is a much more extensive demand for sports clothes, in proportion to population, than will be found in many other markets. A somewhat similar feature is the regular trade in evening wear as compared with that in various countries where fewer formalities in dress are observed than has been the custom in India for many years.

Competition from domestic production is a further point of interest. The limited demand for European styles of wearing apparel has prevented any substantial development in large-scale manufacturing establishments, and it is only in the case of hosiery, some woollen knitted goods, and a few types of cotton goods, all of which are produced principally in the lower grades for Indian consumption, that local industry has developed to any extent. There is at the same time a substantial output of ladies' and children's dresses, men's suits and shirts, footwear, and hats in small establishments throughout the country and, consequent on the low cost of labour and of certain materials of Indian manufacture, this trade exercises a restrictive influence on the import of such goods from abroad.

### LADIES' WEARING APPAREL

The principal types of ladies' wearing apparel imported into India are ready-made dresses, silk hosiery, shoes, corsets, handbags, belts, bathing suits, and accessories such as buttons, clips, ribbons, tapes and costume jewellery. The trade in underwear, coats, hats, furs, gloves, and sportswear is of less importance.

#### READY-MADE DRESSES

There is a fair demand for medium-priced cotton day frocks in the larger cities. Materials should be resistant to washing and the sun. Styles should be plain and the goods must be well finished. Imports have originated principally in the United Kingdom, France, the United States, and Canada. Individual orders are for comparatively small quantities and seldom reach a higher value than \$1,000.

There is a smaller market for higher-priced afternoon and dinner dresses and a few items of sportswear. In the case of such goods the manufacturer should supply as wide a variety of materials and designs as possible and should avoid supplying duplicates to consumers in the same city.

#### SILK HOSIERY

The Indian market for silk hosiery was reviewed in *Commercial Intelligence Journal* No. 1827 (February 4, 1939). Canadian manufacturers continue to participate in the trade, although competition from the United Kingdom, the United States and Japan combined with a variety of limitations on demand, appears likely to continue to restrict exports to fairly small values.

#### SHOES

The trade in footwear suffers considerably from local competition. However, small quantities of these goods are commonly imported from Czechoslovakia, the

United Kingdom and various other sources. Canadian manufacturers of medium-to high-quality goods in light colours and weights should be able to sell limited quantities to local buyers.

#### HANDBAGS

There is a good market in India for day and evening bags. As in the case of other items of apparel, the lighter colours and weights are in the greatest demand.

#### BELTS

Ladies' belts of all types enjoy a ready sale in this market. References to the prevailing demand for other items of apparel apply equally in this instance.

#### CORSETS

There is a steady trade in corsets and brassieres of all types. This branch of the business in wearing apparel is largely in the hands of United Kingdom and United States manufacturers, but Canadian firms who can offer styles designed for use in hot climates should be able to develop a reasonable volume of business.

#### MISCELLANEOUS ITEMS

Buttons, clips, ribbons, costume jewellery, and a considerable variety of miscellaneous items of apparel also sell freely in the local market. The trade in buttons and costume jewellery is of some importance, and recent imports of these lines from Canada have shown considerable increases.

In addition to the foregoing items of ladies' wearing apparel there is also a fair volume of trade to be done in bathing suits, caps, and shoes, coats, hats, gloves, underwear, and furs. These items are, however, less in demand than those mentioned above.

#### CHILDREN'S WEAR

The Indian market for children's wear is normally a small one, since it is customary among the European population for children to be kept as much as possible with relatives or at schools in temperate climates. There is still a small but regular demand for babies' outfits, children's underwear, shoes, socks, sports clothes, suits, dresses, and bathing wear.

#### MEN'S WEAR

The principal type of men's wearing apparel imported into India are shirts, socks, underwear, ties, garters and suspenders, sportswear of various kinds, shoes, and hats.

#### SHIRTS

Men's shirts are supplied chiefly from the United Kingdom and the United States. Collar-attached styles are becoming increasingly popular both for day and evening wear. These goods are usually required in average to high quality in both material and finish, while the trade favours white and light colours in plain designs.

#### SOCKS

Socks also are in steady demand. Light-weight wool, cotton, and silk mixtures are apparently best adapted to local conditions and tastes, while colours should be light. There is a steady market for plain white socks for ordinary use and also for black silk or silk mixtures for evening wear. A wide range of socks for sportswear can be sold to local accounts.



## UNDERWEAR

The demand for men's underwear is principally for athletic type knitted cotton undershirts and cotton cloth shorts. Plain white is preferred. Durability should be combined with light weight.

## HABERDASHERY

Garters, suspenders, belts, and other elastic goods should be supplied in the simplest designs and best qualities available. Inferior grades of elastic are likely to deteriorate in the Indian climate before the goods have reached the consumer. Fittings should be of plastic or similar rust-resisting material. The demand for ties, handkerchiefs, buttons, links, and other incidental haberdashery items is very similar to that in the Canadian market.

## BOOTS AND SHOES

The extent of the market for boots and shoes is limited, imports being principally of United Kingdom manufacture. Good-quality shoes in the lighter weights are required for ordinary wear. Patent leather evening shoes sell freely. There is also a fair demand for golf and tennis shoes.

## OTHER ITEMS

The market for hats is comparatively small and is limited almost to average good-quality felts. There is a regular trade to be done in light-weight shower-proof raincoats. Pyjamas are sold in limited amounts, the demand being essentially for light-weight materials. Ready-made flannel and gabardine trousers are in fair demand.

## REPRESENTATION

Exports of wearing apparel to India will normally be arranged (1) through a buying or export agent in Canada, (2) through one or more selling or indent agents in India, or (3) through direct sales to local accounts. All three methods have their advantages and disadvantages, and the manufacturer's ultimate choice will depend to a large extent on the type of goods involved. Ladies' ready-made dresses, for example, can be sold by a local agent and may occasionally be shipped direct to local retailers. In many other instances, however, business in this line is best handled by a buying agent who understands his clients' requirements and will go to some trouble to make up their individual orders. Silk hosiery, alternatively, should be distributed through an agent who is in a position to attend to the varied requirements of a considerable number of dealers. Direct and exclusive connections for branded goods such as corsets and men's shirts are preferable to sales by any other method. This type of business is preferably left in the hands of one or more leading retailers in the larger cities.

## SALES METHODS

There is such divergence between local and Canadian demand for most types of wearing apparel and between trade organization in the two countries that Canadian exporters will normally require to expend considerable time and effort on the development of business in this territory. Trial orders may occasionally be arranged with buyers or agents. This method of commencing business is possible at present, although in normal times it can seldom be done except when the exporter is prepared to concede unusually easy terms. It is still recommended as the most desirable method of testing out the market for most types of wearing apparel, while its adoption is naturally contingent on the exporter having adequate assurance that his goods are likely to sell and that his buyers or agents are experienced and reputable.



Dependence on the exchange of samples as a means of obtaining orders is generally undesirable in any such business, although it may be recommended in the case of goods of standard design and quality, such as hosiery, underwear, handkerchiefs, and similar articles.

Manufacturers are advised, when opening up correspondence with local accounts, to provide all possible information regarding their products so far as design, quality, and prices are concerned and to leave no doubt in the minds of their buyers or agents as to the basis on which they are prepared to conduct business.

#### PRESENT MARKET OPPORTUNITIES

Wearing apparel of Canadian manufacture is not at present subject to import restrictions, and the development of business in these lines with buyers in India may accordingly be of more than usual interest to Canadian manufacturing or export firms. The demand for a considerable number of items is unusually keen, although subject to inevitable fluctuations.

Manufacturers, exporters, or buying agents who are interested in this trade are requested to forward complete details of their offers or requirements to the Canadian Trade Commissioner, P.O. Box 886, Bombay.

#### CANADIAN TOBACCO FOR THE UNITED KINGDOM

Following negotiations carried on by the Canadian Trade Commissioner in London, the United Kingdom Board of Trade has agreed to authorize the importation of a further quantity of five million pounds of Canadian flue-cured tobacco. Representatives of the United Kingdom Government have examined the stocks available for sale and in due course purchases will be made through commercial channels.

This is the third quota for Canadian leaf tobacco which has been secured since the beginning of the war. Each of the previous purchases amounted to eight million pounds and included limited quantities of the Burley, dark and cigar leaf types as well as flue-cured. The present quota is intended primarily to permit the clearing out of stocks of export quality leaf remaining in growers' hands.

#### NOTES ON TRADE AND INDUSTRY IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, November 27, 1941.—Following are further notes on Australian food production and financial developments.

#### DRIED FOODS FOR GREAT BRITAIN

Australia's plans for the dehydration and drying of foods for shipment to Great Britain are being rapidly expanded. The Department of Commerce recently stated that, while some of the projects would not be a competitive success in peacetime, it was considered that they would have post-war value, particularly in the tropical countries to the north of the Commonwealth.

Eleven plants for the drying of eggs have been imported from China, which are now operating successfully in New South Wales. The Council for Scientific and Industrial Research is also working on experiments for the drying of mutton, this being purely a wartime production for emergency feeding in England; trial lots have already been sent forward for report. Similarly, experiments with butter concentrates have been made, while it is hoped to expand the drying of such fruits as apricots, peaches and pears.

During the past twelve months 1,250 tons of dried apples were produced from 500,000 bushels of fresh apples, a threefold increase on production in the

previous year. Experiments are also being carried out in the drying of potatoes, carrots and parsnips, and preliminary reports indicate considerable success in the retention of flavour and quality, while the marked saving in shipping space will be of special value to the Commonwealth in view of the continued shortage of shipping for overseas.

#### INFLUENCE OF WAR SPENDING IN AUSTRALIA

Customs, excise and postal revenues for the first four months of the current Australian financial year show a continued improvement as compared with the same period for the previous year. Figures issued by the Commonwealth Treasury show that customs and excise revenue for the period July-October was £2,697,369 better than the budget estimate and £1,404,108 better than the collections for the same months of 1940.

Postal revenue exceeded the budget estimate by £16,965 and was £635,118 above receipts for the same period of last year. Thus the revenue from these two important sources for the first four months of the fiscal year 1941-42 is about £2,750,000 better than the budget estimate.

Customs and excise revenue for the first four months reached the total of £18,786,965 as compared with £17,382,857 in July-October of last year. The increased customs revenue is particularly encouraging in view of the operation of severe import restrictions and the rationing of dollar commodities, while the rise in excise and postal revenue is largely attributed to the higher national income because of the continued expansion of war spending within the Commonwealth.

#### AUSTRALIAN PRIMARY PRODUCTS

The sixth annual report of the Australian Meat Board discloses that the value of Australian meat exports for the year ended June 30, 1941, was £834,712 greater than for the previous year. Exports were valued at £15,151,253.

Last season's Australian production of canned apricots, peaches, and pears (2,732,701 cases) was a near record, being exceeded in only one previous season. The surplus in excess of Australian domestic requirements has either been sold or is held against delivery instructions. The embargo on the importation of canned fruits into the United Kingdom continued. Purchases by the British Ministry of Food, however, for shipment to destinations other than the United Kingdom, placed Australia in a favourable position. Sales to Canada had been surprisingly good.

The Australian Wine Board's report shows that wine exports to Great Britain for the year to June 30, 1941, decreased by 80 per cent. Wine exports to other countries, especially the Netherlands East Indies, increased, but not sufficiently to compensate for the loss of trade with Great Britain. The export of wine to Canada doubled.

#### HOMES FOR WAR WORKERS

A £1,000,000 building program for munitions workers is being planned by the New South Wales Government for localities in which new defence plants will be centred. Negotiations have already been opened with the Commonwealth Government and are believed to be proceeding satisfactorily.

Two of the centres affected are Villawood and St. Mary's, where munitions factories are expected soon to employ 15,000, of whom about half will be women. Neither locality has facilities to cope with a sudden increase in population, and both are a considerable distance from the city. Planners are at present visualizing the possibility of constructing a model township, equipped with all sewerage and power services, that will be of use after the war when munitions works will either disappear or be considerably reduced.

Ministers of the New South Wales Government have already had conversations with the Treasurer, whose department will be called on to provide the



money, and with the Ministry of Labour, which supervises the housing of munitions workers and which usually decides whether or not a Commonwealth authority shall handle such matters.

Commonwealth Ministers believe that the provision of good housing conditions, possibly comfortable homes on barrack lines for bachelors with bungalows for married persons, would be a profitable investment.

## PALESTINE'S FOREIGN TRADE, JANUARY-JUNE, 1941

L. KASSARDJI, OFFICE OF THE CANADIAN TRADE COMMISSIONER

(The Palestine pound is approximately equal to Canadian \$4.47.)

Cairo, November 13, 1941.—Both the import and export trade of Palestine was sharply lower during the first half of 1941 as compared with the first six months of 1940, the actual decrease being greatest in imports and the relative decrease greatest in exports.

Imports into Palestine (excluding military stores and supplies for the canteens of the armed forces) were valued at £P.4,927,733 for the period as compared with £P.7,467,597 for the corresponding period of 1940, a decrease of £P.2,539,824. Exports amounted in value to £P.500,639 as against £P.1,833,924, a decline of £P.1,333,285.

### EXPORTS

The decline in exports was due to the inability of the citrus growers to dispose of their crop abroad, owing to the shipping situation. Exports listed under fresh fruits, nuts and vegetables were valued at only £P.33,498 in the 1941 period as against £P.1,435,702 in the first half of 1940, showing a decrease in excess of the total decrease for exports. Exports classed as raw materials and articles mainly unmanufactured were somewhat higher in value at £P.135,445 as against £P.79,660 and those of articles wholly or mainly manufactured also advanced to £P.165,199 from £P.158,310.

### IMPORTS

Imports classed as food, drink and tobacco were valued at £P.1,519,568 as against £P.2,034,228. Grain and flour imports declined to £P.403,670 from £P.508,255 in the first half of 1940, imports of dairy produce to £P.113,605 from £P.228,908, and imports of "other foods" to £P.596,199 from £P.785,139. On the other hand, purchases of living animals for food were somewhat higher in value.

Raw materials and articles mainly unmanufactured were imported to a total value of £P.568,955 as against £P.1,132,716 in the corresponding period of the previous year. Most major items in this class were lower in value, the greatest decline being in wood and timber at £P.65,596 as compared with £P.541,738.

Imports of articles wholly or mainly manufactured dropped in value to £P.2,801,688 as compared with £P.4,288,513. Decreases were recorded for fifteen groups of items in this class and increases for five. The chief declines were in iron and steel and manufactures thereof, electrical goods and apparatus, machinery, manufactures of wood and timber, apparel, and paper and cardboard and manufactures thereof. Imports of the latter were valued at £P.135,249 as against £P.197,091 and of manufactures of wood and timber at £P.18,494 as against £P.231,264.

Shipping difficulties and import restrictions were largely responsible for the fall in value of imports during the first half of 1941. Most imports from overseas had to be carried via the Cape of Good Hope and the Red Sea instead of the Mediterranean. Another factor was the further development of existing domestic industries and the creation of new ones, a trend that has been greatly stimulated by wartime conditions.



## MEXICAN FISHING INDUSTRY AND MARKET FOR FISH

A. B MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One peso of 100 centavos equals approximately 23 cents Canadian; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds.)

Mexico City, January 10, 1942.—While fish are abundant in the waters along both the Atlantic and Pacific coasts of Mexico, development of the fishing industry in this country has not been very progressive. Mexicans are not large consumers of fish. One of the reasons for this is the difficulty of bringing this product from the tropical areas along the coast into the interior, except to the larger towns. Fish is not popular among the Indians, who make up, with half-castes, 90 per cent of the total population.

In addition to sea fishing, upon which the bulk of the industry is dependent, Mexican inland waters afford a fair variety of fish. The Department of Forests and Hunting and Fishing, before it was abolished in December, 1939, established a number of hatcheries and gave some attention to re-stocking certain inland waters, fish eggs being brought from the United States. It classified the various fishery products in Mexico into nine groups, including crustaceans and products derived from crustaceans, aquatic plants, sponges, etc. Fresh fish was regarded as the most important group, the two principal marine fishing areas being in the waters of Lower California and Veracruz. Among crustaceans, shrimp and lobster were considered most important. These are obtained mostly from Lower California, Sonora, Sinaloa, Chiapas, and Veracruz waters. Oysters were valued not only as food but also as a source of pearls.

Sea fishing in Mexico comprises deep-sea fishing and fishing in coastal waters. The latter provide 65 per cent of total production, deep-sea fishing accounts for 29 per cent, and inland waters for 6 per cent. Deep-sea fishing is carried on chiefly by foreigners, particularly Japanese. On the other hand, fishing in territorial and inland waters is entirely carried on by Mexican nationals.

The following table shows the total Mexican fishing production, with the volume and percentage of production from coastal and inland waters, for the years 1933 to 1936:—

### *Mexican Production of Fish*

	Total Kilos	From Coastal and Inland Waters Kilos	Per Cent of Total
1933 . . . . .	5,983,940	290,745	4.85
1934 . . . . .	12,133,271	402,437	3.31
1935 . . . . .	11,387,746	242,912	2.13
1936 . . . . .	10,585,148	810,476	7.65

The Fishing Law of August 26, 1932, a copy of which is on file at the Department of Trade and Commerce, Ottawa, outlines the steps taken for the protection of, and economic assistance to, the fishermen in this country. The organization of fishing co-operatives has been one of the principal objects of the Federal Government. In 1936 there were some sixty-seven co-operatives with a membership of four hundred fishermen. However, there is still much room for improvement in regard to this legislation and its administration.

### DOMESTIC INDUSTRY

The domestic commercial catches of fish in Mexico from west coastal waters for the years 1937 to 1939 were as follows: 1937, 8,089,669 kilos; 1938, 12,811,719 kilos; 1939, 12,730,133 kilos. The catches from waters on the east coast in the same years were: 1937, 4,301,442 kilos; 1938, 4,781,030 kilos; 1939, 5,556,920 kilos.

During the period 1925 to 1929 the catch for the western coast of Lower California was much higher than at present; on the other hand, in the other coastal areas the catch has increased.

It is extremely difficult to obtain adequate information concerning the local fishing industry. The reason for this is the abolition of the Department of Forests and Hunting and Fishing, which compiled the fishery statistics. The activities of this department have now been taken over by the Naval Department, which does not seem to have done anything to reorganize and continue this service. Further, political interests in obtaining fishing concessions have done all that they can to render as secret as possible all data in regard to such matters. Few persons, in fact, know anything about the value and prospects of the Mexican fisheries. During the Diaz régime development of the fishing industry on the Pacific coast of Mexico was retarded by the grant of exclusive concessions to one party for a long period of years. The concessionaire generally spent most of the time allowance in an endeavour to dispose of his concession to American, Canadian, or Japanese interests for large sums of money. During the Carranza régime all the Diaz concessions were cancelled. Regulations and decrees further disorganized the industry. The Obregon administration declared fishing to be free on the Pacific coast and removed a number of the regulations that hampered the industry.

It is reported that, owing to the difficulty of obtaining cod liver oil, a plant is to be established for extracting oil from sharks. The principal packing plants in Mexico are at La Ensenada, Isla de los Cedros and Cabo San Lucas, in Lower California, and at Topolobampo and Escuinapa in Sinaloa. Figures of production are not available, but it has been estimated at five thousand cases per day. The packing plant in Isla de los Cedros produces 500 cases per day when operating at maximum capacity. The tax office at San Diego collects a small charge for all fish from Mexican waters for packing in the United States.

The foregoing information on the Mexican fishing industry is by no means complete. The fish found on the Mexican Atlantic coast differ as a rule very greatly from those found in the Pacific coastal waters. On the coasts, particularly on the Pacific, the population is so small that there is very little consumption of fish. The difficulty confronting the canning industry is that the fish packed are from tropical waters; for example, fish from the Gulf of California are said to contain too much phosphate, causing the bones to harden and the flesh to soften in the process of canning. San Francisco fish-packers have always been interested in the Mexican Pacific coast as a fishing ground. The fish that is most abundant is mullet, all species being found from the striped to the white varieties. Speaking generally, the Mexicans in the Capital mostly consume pampano, robalo, and huachinango. Greater results could be obtained from the Spanish mackerel and sardine fishing than at present, if adequate cold storage and other facilities were available. Most Mexican fishing is carried on under primitive conditions, and exploitation with modern equipment, cold storage, and packing plants is at present beyond the reach of the Mexican industry.

#### CANNING INDUSTRY

The limited amount of canning done in Mexico is confined chiefly to sardines, the amount of fish consumed in recent years being as follows: 1937, 6,949 metric tons; 1938, 6,188 tons; 1939, 6,797 tons. For the same years the volume of shellfish canned was: 1937, 568 tons; 1938, 415 tons; 1939, 1,245 tons.

While the price paid for the fresh fish for canning was only 5 centavos per kilo in 1934, in 1938 it had gone up to 10 centavos. Similarly for shellfish the price in 1934 was 25 centavos per kilo, while in 1939 it was 40 centavos. An increase in the price of fish in Mexico prevents the consuming market from



expanding. It will be necessary to first create a demand and maintain prices at a low level in order to increase the consumption of fish. At present the prices for fish are increasing, and this should be borne in mind by prospective exporters to this market.

About fifteen packing-houses are in operation in Mexico, only three of which are well organized. These packing-houses do not operate all the year round but only during certain seasons. Information as to the total number of employees is not available. Labour troubles are rife among the fishermen. There are about one hundred small fishing boats in use, their capacities varying from four to one hundred tons and their crews from three to fifteen men. The majority of the fishing boats are fitted with Diesel engines, but there are also many small sailing vessels.

The varieties of fish packed in cans are mackerel, jurel, sardines, bonito, shrimp, atun, and abulon. Certain fish belonging to the salmon family—silver salmon, king salmon—are also canned. There are said to be thirty co-operative societies in connection with the fishing industry. The Department of National Economy is the organizing body. Until the outbreak of war between Japan and the United States, practically the only active fishermen on the Mexican Pacific coast were Japanese. A large percentage of the catch was taken to San Diego, California, to be canned.

#### DOMESTIC MARKET

The principal consuming area for fish in Mexico is the Federal District. Mexico City has an estimated population of 1,750,000. While a large number are indigent Indians, the city itself is extremely cosmopolitan and there is a fair number of American and European residents. The Americans prefer canned fish, while the Europeans purchase dried and salt fish.

Practically all the fish that is consumed in the Federal District and the interior of the country is brought in by rail. Therefore the imports of fish by rail are a valuable basis for an estimation of the extent of the principal Mexican market for fish, since this product is not consumed in the country districts. According to official statistics, a total of 11,456 metric tons was brought in by rail for the Federal District in 1936. In 1937 this figure was doubled, imports rising to 22,831 tons, and in 1938 they amounted to 14,835 tons. In 1939, owing to increased local fishing, this figure had risen to 25,558 tons, practically all of which was consumed in the Capital. Small quantities were distributed each year to outer districts from the Capital, amounting in 1936 to 788 tons, in 1937 to 171 tons, in 1938 to 198 tons, and in 1939 to 147 tons. Deducting these quantities from the total imports by rail, the consumption of fish in the Capital for these years can be estimated. It should be noted that figures of imports into the Federal District also include all the imported foreign fish, salted and dried, etc., consumed in the Capital.

#### EXPORTS OF MEXICAN FISH

Exports of fresh fish and shellfish from Mexico for the years 1933 to 1939 were as follows: 1933, 3,772 metric tons; 1934, 7,709 tons; 1935, 5,975 tons; 1936, 5,608 tons; 1937, 7,068 tons; 1938, 8,727 tons; 1939, 30,053 tons.

Exports of canned fish and shellfish for the same years were: 1933, 902 metric tons; 1934, 1,282 tons; 1935, 1,728 tons; 1936, 1,186 tons; 1937, 2,290 tons; 1938, 1,534 tons; 1939, 1,733 tons.

The principal markets for Mexican exports of fish are the United States, Japan and China. Japanese nationals resident in Mexico control the trade with their own country. The principal trade with China is in shark fins. Stomachs and spawn of fish find their best markets in Algeria and Tunis, followed by the United States, France and Syria. Apparently tunny is the most popular Mexican fish product in the United States, but other species of



fresh fish are also important for the canning industry in that country. In fact, the United States is almost the exclusive purchaser of all kinds of fresh fish from Mexico. However, of the large number of species of fish found in the Mexican coastal waters and lakes, only a few are in demand in other countries. If markets could be found for these and other species, Mexican fishing grounds would be much more valuable.

### MOTHER-OF-PEARL INDUSTRY

It is estimated that the exportation from Mexico of mother-of-pearl in 1937 amounted to 96,424 kilos. Exports in 1938 were 91,067 kilos, and in 1939 they rose to 141,653 kilos. Before the war Germany was the principal purchaser of Mexican mother-of-pearl, and the United States has always taken the rough and manufactured pearls. There are no records covering the production of pearls in Mexico. During 1938, exports of pearls in the rough or manufactured state totalled 1,283 pieces; for 1939 the figure was 243 pieces.

### IMPORTS

The factors affecting sales of domestic fish have even a greater bearing on the importation of foreign fish. To sell more foreign fish in Mexico, prices must be lower. The market, as stated above, is limited, owing to the fact that the native population, approximately 90 per cent of the total, do not like fish, and no efforts have been made to develop a taste for fish among the Mexican people.

Two factors that hold up the prices of imported foreign fish in the Mexican market are transportation and duty charges.

The following table shows the importation of fish into Mexico for the calendar years 1938, 1939 and 1940, with figures for individual countries of supply:—

#### *Mexican Imports of Fish*

	1938	1939	1940
	Kilos	Kilos	Kilos
Fresh shellfish, unspecified . . . . .	2,609	.....	1,962
Fresh fish, unspecified . . . . .	14,127	.....	7,084
Denmark . . . . .	210	.....	.....
United States . . . . .	2,278	.....	.....
Portugal . . . . .	11,639	.....	.....
Red snapper, fresh or frozen . . . . .	.....	11,811	9,588
United States . . . . .	.....	4,390	9,588
Portugal . . . . .	.....	7,421	.....
Sardines, fresh or frozen . . . . .	.....	.....	3,180
Lobsters, fresh or frozen . . . . .	.....	3,075	1,265
Codfish, dried, salted, or smoked . . . . .	352,612	394,678	245,212
Denmark . . . . .	8,538	6,283	.....
United States . . . . .	5,278	3,656	61,117
Norway . . . . .	326,801	377,431	180,914
Portugal . . . . .	2,083	4,807	901
Netherlands . . . . .	8,991	.....	.....
Others . . . . .	921	2,501	2,280
Caviar . . . . .	3,702	3,015	3,307
United States . . . . .	3,512	3,003	2,213
Germany . . . . .	30	.....	.....
Others . . . . .	160	12	1,094
Sardines, in containers weighing up to 5 kilos, preserved . . . . .	241,478	575,245	297,533
Spain . . . . .	20,073	50,647	17,091
United States . . . . .	14,474	44,717	8,157
France . . . . .	.....	8,458	664
Dried shrimp . . . . .	2,709	11	754
Preserved shrimp . . . . .	1,200	803	399
Oysters in shells, prepared or not . . . . .	3,582	1,531	2,849
Shellfish, dried, salted, smoked, unspecified . . . . .	.....	.....	2,152
Shellfish, preserved, unspecified . . . . .	.....	.....	39,000

*Mexican Imports of Fish—Concluded*

	1938	1939	1940
	Kilos	Kilos	Kilos
Salted, dried, smoked, and pickled fish and shellfish . . . . .	41,204	40,503	36,641
China . . . . .	1,572	1,315	969
United States . . . . .	33,842	36,178	35,466
Japan . . . . .	592	830	206
Netherlands . . . . .	1,548	.....	.....
Others . . . . .	3,650	2,180	.....
Preserved fish, unspecified . . . . .	790,308	344,362	152,748
Germany . . . . .	2,970	.....	.....
Canada . . . . .	45,825	.....	.....
Cuba . . . . .	1,261	2,741	.....
China . . . . .	1,808	2,709	2,992
Spain . . . . .	123,625	35,365	21,895
United States . . . . .	70,984	58,788	21,921
Estonia . . . . .	2,195	.....	.....
Finland . . . . .	189	.....	.....
France . . . . .	46,955	84,401	19,266
Great Britain . . . . .	3,704	.....	.....
Italy . . . . .	2,488	2,971	434
Japan . . . . .	45,900	16,461	2,513
Lithuania . . . . .	2,446	1,737	561
Norway . . . . .	49,594	.....	.....
Portugal . . . . .	376,013	126,775	78,752
Others . . . . .	14,351	12,414	4,414

## IMPORT DUTIES

High rates of duty are levied on fish imported into Mexico, rendering the cost to the consuming public too high. The following table shows the duties on the various types of fish imported into Mexico:—

	Pesos per Kilo Legal Weight
Codfish, dried, salted, smoked . . . . .	0.40
Caviar . . . . .	0.70
Salmon, preserved, weighing up to five kilos, provided the container bears a description of the contents . . . . .	0.70
Sardines, preserved, weighing up to five kilos in the container, which must bear a description of the contents . . . . .	0.70
Fish, salted, smoked, pickled, n.o.p. . . . .	0.40
Fish, preserved, n.o.p. . . . .	0.70
Shellfish, dried, salted, smoked, n.o.p. . . . .	0.40
Shellfish, preserved, n.o.p. . . . .	0.70
Shrimp, dried, salted . . . . .	0.50
Shrimp, preserved, in jars or tin cans . . . . .	0.80
Oysters, shelled, either prepared or not . . . . .	0.80
	Pesos per Kilo Gross Weight
Red snapper, either fresh or frozen . . . . .	0.20
Sardines, either fresh or frozen . . . . .	0.20
Fish, either fresh or frozen, not specified . . . . .	0.20
Lobsters, either fresh or frozen . . . . .	0.20
Shellfish, fresh, n.o.p. . . . .	0.20

It has been estimated that the price of foreign dried codfish imported into Mexico is increased 50 per cent as a result of duty and freight charges. Such costs place foreign codfish beyond the purchasing power of the native population.

## FRESH FISH

The fresh fish consumed in Mexico is practically all of local origin. The only exception is small quantities imported at border points, where fish may be obtained more easily and cheaper from neighbouring countries, lower freight charges offsetting customs duties. Distribution is one of the problems of Mexican commerce affecting all products. It is often the case that a foreign article can be imported at border points, whereas the local product, owing to limited transportation facilities, cannot be brought from the other end of the

country. In the restaurants of the Capital, however, all fresh fish served is of local production and comprises robalo, huachinango, Spanish mackerel, pampano, lobster, trout, shrimp, octopus, starfish, and other varieties.

#### DRIED, SALTED, SMOKED AND PICKLED FISH

Very little smoked salmon is sold in Mexico. There is no market for alewives such as there is in Jamaica and Haiti. Dried, salt and pickled herrings have been imported from time to time from the United States and even from Canada. These fish, however, are not purchased by Mexicans, the dried herrings being consumed by a few wealthy English for breakfast. Pickled herrings are consumed by Scandinavians. In 1910 there were imports of pickled herrings from Canada amounting to 4,784 barrels, but in recent years this item has practically disappeared owing to the fact that Europe supplied them cheaper. It is doubtful if the trade could be revived, owing to the fact that the foreign populations of Scandinavians, Germans, etc. in Mexico are not in a position to purchase because of the war.

Attempts have been made to import haddock, but the delay in bringing it up from the coast to the Capital has generally resulted in its arrival in an unsatisfactory condition. Until better transportation facilities are available, it will be impossible to market either dried or salted sea herrings and pickled or smoked herrings. As there is an abundance of excellent Spanish mackerel, pickled mackerel is not in demand as in Jamaica. While in the Caribbean islands there is a good market for pollock, hake, and cusk, there is no market for them in Mexico.

#### CANNED FISH

The leading varieties of canned fish are brought into Mexico in small quantities. Price is the principal factor limiting importation and, as stated already, the bulk of the native population does not consume fish. The main varieties imported are salmon and sardines; imports of others are negligible.

*Salmon.*—Some years ago Canada shared the import trade in salmon with the United States, providing principally the pink variety. About 1929, this trade received a severe setback, due to the fact that two canning factories were established in Mexico on the coast of Lower California. These factories began to pack a local Pacific fish known as "yellowtail" in cans similar in all respects to the Canadian one-pound pack of salmon. Even the labels were an imitation of the Canadian label. Protected at that time by a duty of eight cents (Canadian currency) per kilo, legal weight, which has been increased at present to sixteen cents, this pseudo-salmon has obtained control of the Mexican market, except for a limited high-class trade in reds and sockeyes. On this account local agents long ago lost all interest in handling Canadian salmon. Recent inquiries at five leading grocery stores in Mexico City show that no Canadian canned salmon has been offered to them for a long time.

United States firms, through brokers in San Francisco, still sell a small quantity of pinks and the better qualities of reds and sockeyes. Only the better-class grocers handle these products.

The locally canned (so-called) salmon sells to Mexican consumers because it is far cheaper than Canadian salmon, the retail price ranging from 80 centavos to 2 pesos, while that of imported salmon ranges from 1.50 to 2.50 pesos per one-pound can.

While Canadian salmon was favoured in the past, there appear to be only limited sales possibilities for the near future, even if supplies were forthcoming. It is also doubtful, in view of the operation of local canning plants, whether the market can ever be re-opened for Canadian canned salmon unless the duty is lowered. The higher rate of duty and the advantage of direct shipment of American salmon from San Francisco are adverse factors affecting the situation.



If an entry were attempted into this market again, when times become normal, it would be better for British Columbia exporters to specialize in sockeye and the other high-class grades. Sales would be limited, but the consumer who buys these grades wants salmon and not "yellowtail".

*Sardines.*—Under the heading "sardines" is included the 15-ounce tin of so-called Californian sardines. The largest sale of this grade of sardine is in the interior of Mexico, while the European sardine proper is sold in the Capital, where it is consumed as an hors d'œuvre or *anti pasto*. Californian sardines are generally packed in tomato sauce, selling retail for around 1.25 peso per tin. There is also a demand, although the volume of sales is smaller, for the Mexican packed "Vaquero" sardines, which retail at 75 centavos per can. The Mexican product is generally considered to be of inferior quality. It is packed in cans of one-half kilo. First-class canned local sardines are available from Mexican waters, including the "silverside" (*Sardinella kowala*), which averages about three inches when mature, and the "blue" sardine (*Sardinella episthonema*) which would make excellent canning material.

Before the war Canadian sardines were well known and favoured in northern Mexico and, when supplies can be again obtained, this trade can no doubt be re-opened and maintained in that area. It is doubtful, however, whether these sardines will ever be popular in the Capital. In that area the low-grade cheap Spanish sardine is preferred. Cans should be soldered and not mechanically sealed. Owing to duty and freight charges, the sale of sardines will never be large in Mexico in proportion to the population.

For the small luxury trade, genuine Portuguese sardines and French sardines are on sale in small quantities. Prices range from 1.20 to 2 pesos per tin weighing slightly less than one-seventh of a kilo.

*Lobster.*—Practically all the canned lobster sold in Mexico comes from Cuba. A fresh local "spiny" lobster of good quality is sold in the markets of the Capital; this is "rock" lobster from the west coast. However, it is not popular, nor are the canned lobsters which come from Cuba. Canadian canned lobster is practically unknown in this market. The high duty, lack of interest in the product, and the preference of Mexicans for shrimps, which are abundant locally, will always have an adverse effect on the sale of imported lobsters.

*Shrimps.*—Shrimps, both the fresh-water and salt-water varieties, abound in Mexico. Shrimps from the west coast are not true shrimps but a species of prawn. Fresh shrimps have always been shipped overland from Mexico to the United States, but the freight charges have been high owing to packing and other factors. The first shipment to the United States by sea was recently despatched from northwestern Mexico.

There is no market in Mexico for imported canned shrimps. Fresh shrimps are often consumed raw. They are sold by the natives by basket on the coast. Owing to the inadequacy of internal transportation, which should always be borne in mind when considering the Mexican market, shrimps are consumed in the area where they are produced. Thus, in the Capital area natives obtain fresh-water shrimps from ponds and rivers.

*Oysters.*—Imports of canned oysters are small. The half-caste population in Mexico consumes fresh oysters, which are found on the coasts, particularly on the Pacific coast, in fair quantity. In the Capital there are several oyster restaurants, but total consumption, even of the local fresh oyster, is limited in proportion to the country's population. This is partly accounted for by the reluctance of foreign consumers, particularly Americans, to eat oysters from warm waters. At various times local canneries have attempted to process Mexican oysters, but their efforts have been unsuccessful, owing particularly to labour difficulties with the local fishermen.

*Other Canned Fish.*—The import market for such lines as clams, tunny fish, caviar, anchovies, crabs, etc., is almost negligible.

## CODFISH

There is a demand in Mexico for about 400 metric tons of codfish annually. This quantity is surprisingly small when the population of Mexico is compared with that of other markets, such as Cuba, where there is a good demand for codfish. However, it must be borne in mind that consumers of codfish in Mexico are limited practically to Europeans living in or around the Capital on the central plateau. As in the case of other fish, in order to sell more codfish it will be necessary to develop the consumer demand. Further, in order to increase the number of consumers, the fish would have to be delivered more cheaply. At present the Mexican customs duties and the high transportation charges to this market render this impossible. Customs duties alone run to at least 10 pesos per case, amounting to \$0.082 (United States currency) per kilo as compared with \$0.055 in Cuba. In Cuba the market is within easy distance of the port. Practically no codfish is consumed on the Mexican coast but has to be brought by rail from the port of Veracruz to the Federal District, which is 264 miles, or twelve hours, from the coast. The codfish is landed in port, where the climate is warm and moist, and is then transported to the rarefied atmosphere of the Capital's altitude of approximately two miles above sea-level.

The retail price of codfish in Cuba is around \$0.16 (United States currency) per kilo, while in Mexico it is between 4 and 5 pesos, about \$1, per kilo. It is apparent, therefore, that the market for codfish in Mexico will always be limited. It cannot be expected that imports at currently higher prices can be increased when it is realized that even before the war, when the retail price was only 2.50 pesos per kilo, the consumption was only 400 metric tons. At least 50 per cent of the cost is accounted for by transportation and customs charges.

It should be noted also that the type of codfish most favoured in Mexico is the boneless product. While in Spain and Portugal and other Latin countries codfish is part of the ordinary fish diet of the people, in Mexico it is a luxury. In the past Norway has always been the predominant supplier to this market with the "Langa" codfish, but recently there has been an increase in imports from the United States. Canada, due to wartime conditions, has begun to supply a certain amount of codfish to this market. Two hundred hundredweights was imported into the Federal District from Canada during the month of November, 1941. However, as stated above, the market for Canadian cod in Mexico will always be limited.

Codfish for the Mexican market should be between 12 and 30 inches long. The common sizes from Norway in the past were between 14 and 25 inches in length. All measurements should be from the end of the backbone at the tail up the centre to the end of the flesh at the neck but not including the flap of the neck.

The exact cure desired by the Mexican market is most difficult to determine, as local importers are not conversant with the different kinds of cures, and the retail trade is not as well informed as the consumers, who come from Europe. This situation is due to the fact that the codfish trade is relatively only a small line for those who handle it.

The Norwegian fish supplied to this market was white-naped; Canadian codfish is generally black-naped. Norwegian fish was generally bled, while Canadian cod is never bled. The question of salt content and dryness of the codfish for this market are also very important.

## OTHER FISH PRODUCTS

There is no demand for fish meal in Mexico. Poultry and live-stock raising has not yet been developed to the extent that such products as pilchard oils could be used to advantage. However, fish oil is imported to some extent by soap factories. Norway formerly shipped to this market hardened whale oil that was snow-white in colour and had a melting point of 52° C. It has been suggested that hardened pilchard oil might prove a suitable substitute.



Quite recently business has been started in various fish oils, such as cod liver oil, with Canada, and it should be possible to extend this trade, as there has been a large consumption of cod liver oil in Mexico. Both the medicinal and commercial oils are used in this country. Further, quite recently business was also established in a medicinal blend of fish oils other than cod liver oil for their vitamin value.

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### SUSPENSION OF CUSTOMS DUTIES

E. L. McColl, Canadian Trade Commissioner at Dublin, reports that by orders of the Government of Eire the import duty of 40 per cent ad valorem (no preferential rate) has been suspended until June 30, 1942, on imports of elastic stockings, socks, and bands of a kind used for medical purposes, and that the customs duty and package tax has been suspended on margarine; cocoa preparations; coffee; oils and fats which are glycerides of vegetable origin; extracts, essences, or concentrations of coffee or chicory, for preparation of beverages; soaps and soap powders; candles and night lights. The minimum import duty (so far as it relates to tea) of 2s. 6d. per lb. (1s. per lb. United Kingdom or Canadian origin) has been suspended until the same date. Imports of tea, however, are still dutiable at 2d. per pound, except when from the United Kingdom or other British Empire countries. The preferential free rate applies only to tea which has not been blended outside the Empire country of origin.

An Order dated November 28, 1941, suspended the import duty as from December 3, 1941, on elastic covered with or containing textile material, which does not exceed 1 inch in width, imported in the piece or in lengths; on laces for boots, shoes, hats, breeches, corsets, and leggings; and on braid.

#### RUBBER-PROOFED CLOTHING ADMITTED

An Order of the Minister for Industry and Commerce, dated December 1, 1941, suspended import restrictions imposed by Control of Imports (Quota No. 6) Order, 1934, on articles of wearing apparel made of rubber-proofed material, for a period of six months commencing December 5, 1941. The quota previously fixed amounted to 500 articles for the period November 1, 1941, to October 31, 1942.

#### DUTIES ON HORSE-DRAWN VEHICLES

By an Order dated December 16, 1941, effective from December 17, the Government re-imposed duties (previously suspended from February 15, 1941) on animal-drawn vehicles and parts, mentioned at reference No. 260 in the Eire Customs Tariff. These duties are as follows:—

Commodity	Full Rate	Rate for British Empire Countries
Vehicles primarily intended to be drawn by animals..	75% ad val. or £15 whichever is greater	50% ad val. or £10 whichever is greater
Component parts for above vehicles . . . . .	75% ad val.	50% ad val.

### Trinidad

#### QUOTA ON CANADIAN POTATOES

G. A. Newman, Canadian Trade Commissioner at Port of Spain, Trinidad, cabled on January 22 that a monthly quota of 746,700 pounds of potatoes from



Canada is now in force in Trinidad and will continue until cancelled. Canadian shippers of potatoes must supply only against licensed orders.

### British Honduras

#### PROHIBITIONS AND RESTRICTIONS AFFECTING IMPORTS

An announcement by the Controller of Imports in British Honduras on December 15, 1941, notified the public that import licences will no longer be granted for a number of articles and that licences for other articles will be granted for limited quantities only. It stated that this is in accordance with the policy throughout the Colonial Empire of restricting importation of unnecessary articles and reducing consumption of imported goods.

It is emphasized that all imported goods are subject to the licensing system, which requires that a licence shall be obtained *before* any goods are ordered from abroad, irrespective of the country of origin. Goods arriving in the Colony, for which licences were not obtained before the goods were shipped, are liable to confiscation. Licences for purchase abroad have a restricted validity (four months for countries in the Western Hemisphere and six months for other countries).

The notice stated that the restrictions will not apply to:—

- (a) Goods certified by the Senior Medical Officer as being required for use in the hospitals or similar institutions or otherwise for medical purposes.
- (b) Goods produced or manufactured in the British West Indian Colonies, British Guiana, Bermuda or the Bahamas.
- (c) Goods intended for ships' stores.
- (d) Bona fide unsolicited gifts sent by parcel post or otherwise up to the value of \$10.

The lists of prohibited articles and those subject to quotas are with a few minor exceptions the same as previously adopted by Jamaica and published in *Commercial Intelligence Journal* No. 1961 (August 30, 1941), page 265.

### Chile

#### DUTY ON HEMP AND JUTE BAGS REDUCED

W. G. Stark, Assistant Trade Commissioner at Lima, writes that a Chilean decree effective January 8, 1942, reduces the duty on hemp or jute bags imported into Chile from 0.20 to 0.10 gold peso per kilogram gross weight (from 1.3 to 0.65 cents per pound). This reduction is to remain in force for one year.

### EXCHANGE CONTROL IN BRITISH MALAYA

#### K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Singapore, October 15, 1941 (delayed).—The development of a comprehensive scheme of exchange control in British Malaya was outlined in reports appearing in *Commercial Intelligence Journal* No. 1871 (December 9, 1939), No. 1876 (January 13, 1940) and No. 1890 (April 20, 1940). There have been no major changes in the regulations since the third of those reports was written, but a number of amendments has been gazetted to keep the legislation abreast of the changing international situation and to eliminate minor weaknesses that had become apparent.

The availability of non-sterling funds in payment for imports is contingent on pre-order approval of the imports as desirable by the Controller of Restricted

Imports. Broadly, such pre-import approval is available only for commodities that are regarded as essential to Malaya's war effort and which cannot be obtained within the sterling bloc. Once the Controller of Restricted Imports has approved the purchase of non-sterling commodities, exchange in payment is made available immediately on application through any bank acting as agent for the Controller of Foreign Exchange.

Exporters in Canada, by specifying letter-of-credit terms of payment, can be assured that there will be no exchange difficulties over entry of their goods into Malaya, since the importer must consecutively comply with all necessary import and exchange regulations to the satisfaction of the Controller of Restricted Imports and the Controller of Foreign Exchange before credits can be remitted. Thus, advice from a Canadian bank to the effect that letter-of-credit notice has been received from British Malaya is in itself guarantee that all exchange formalities attaching to the order in this country have been completed.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 26, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Jan. 26, 1942, and for the week ending Monday, Jan. 19, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 19	Nominal Quotations in Montreal Week ending Jan. 26	Official Bank Rate
Great Britain.. . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States.. . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2282	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina. . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2631	.2620	—
Brazil. . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0574	3-4½
	Export		.0444	.0444	—
Colombia. . . . .	Peso	.9733	.6325	.6327	4
Uruguay. . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5823	.5823	—
South Africa. . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India. . . . .	Rupee	.3650	.3359	.3359	3
Straits Settlements. . . . .	Dollar	.5678	.5233	.5216	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

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## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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## UNITED STATES SEED POTATO SITUATION

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, January 26, 1942.—While the 1940 crop of seed potatoes was the largest on record, the crop for 1941 is very close to it in size and ranks as the second largest ever produced in the United States.

The final estimate of the 1940 crop of certified seed was 18,731,452 bushels, while the 1941 crop is indicated as being 17,524,723 bushels, only 6.5 per cent less than the previous year's and far higher than the 10-year average of 10,475,200 bushels.

The Irish Cobbler is still the most widely grown potato in the Union, seed production amounting to 25.9 per cent of the total as against 26.1 per cent the previous year. This, however, represents a big drop from previous figures. In 1937, for instance, 38 per cent of seed grown was of the Cobbler variety.

Green Mountain is now the third most important variety, with production amounting to 15.8 per cent of the total. This too represents a drop from 27 per cent in 1937.

Bliss Triumph has replaced Green Mountain in popular favour, gaining second place for the third time with 21.7 per cent of production as against the same percentage last year, 19.1 per cent in 1939 and 16 per cent in 1937.

Katahdin has continued its impressive showing of last year, accounting for 12 per cent of production as against 11.5 per cent in 1940, 6 per cent in 1939 and only 3 per cent in 1937.

Other popular varieties are White Rose with 4.7 per cent, Netted Gem with 4 per cent, Chippewas with 3.7 and Russet Rural with 2.5.

It is interesting to note that the output of Sebago seed is important enough to note separately this year. Total production was 479,428 bushels, or about 2.6 per cent of the total. The Houma, which has also been planted to some extent in Canada this year, was produced to the extent of 272,523 bushels in the United States.

### PRODUCTION IN MAINE

The production of the State of Maine is of most interest to Canada, due to conditions of growth similar to those in New Brunswick and somewhat similar to those in Prince Edward Island. Maine's production for 1941 is 7,692,833 bushels as against 8,466,186 bushels in 1940 and the record production of 8,519,901 bushels in 1937. While Maine's production in 1941 is substantially below the latter record crop, it remains large in proportion to total production in the United States, accounting for 44 per cent of total certifications as against 45 per cent in 1940, 46 per cent in 1939 and 55 per cent in 1937.

As regards varieties, Cobblers and Green Mountains led the field almost neck and neck, the Maine production of Cobblers reaching 2,370,720 bushels and that of Green Mountains 2,347,345 bushels. Maine thus produced 51 per cent of the American Cobbler output and almost 90 per cent of that of Green Mountains.

The production of Katahdins in Maine totalled 1,664,809 bushels, only 6 per cent lower than the 1940 crop and therefore higher in proportion to the total crop. Maine's share of total production was 80 per cent. Production of Chippewas amounted to 440,985 bushels, and that of Bliss Triumphs to 90,346 bushels.

The most remarkable change, however, was the increase in production of "other varieties". Maine is usually fairly conservative, remaining loyal to certain well-tried varieties. Production of "other varieties" this year, however, amounted to 706,595 bushels, or almost 10 per cent of the total, against 360,000 bushels last year, 140,000 in 1939 and 36,000 in 1938. This can only be explained by the increased interest taken in Sebago and Houmas, and it is probable that practically the whole crop of these two varieties was produced in Maine.



Of total production in Maine, 30 per cent was in Irish Cobblers, 30 per cent in Green Mountains, 21·3 per cent in Katahdins and 9·1 per cent in "other varieties". This leaves less than 10 per cent for all other well-established varieties, of which Chippewas accounted for 5·6 per cent.

### PRODUCTION IN OTHER STATES

The second largest producing state is North Dakota, which has a total output of 2,282,200 bushels for 1941, a larger total than in any previous year, exceeding the 1940 total by 3 per cent and the 10-year average by over 100 per cent. Bliss Triumphs accounted for almost 52 per cent of the crop, and Cobblers for 40 per cent.

Minnesota, with the largest crop on record, comes third among producing states. Its 1941 production of 2,122,450 bushels is 9 per cent above the previous record of 1940 and exceeds the 10-year average by about 120 per cent. Forty-eight per cent of production was in Cobblers, which totalled 1,021,940 bushels, second to Maine's in quantity. The state also produced 660,552 bushels of Bliss Triumph, constituting 28 per cent of the total crop. Early Ohio was produced to the extent of 170,484 bushels.

The only other state producing over one million bushels was Nebraska with 1,066,583 bushels, which is a record crop, 6 per cent higher than the previous year's and 125 per cent higher than average. Of this quantity 98 per cent is in Triumphs.

The four states enumerated produced a total of 13,164,066 bushels, or 75·1 per cent of the country's total.

No other state produced over 600,000 bushels, the highest production of other states being that of New York with 597,171 bushels. Oregon is next with 561,700 bushels and Colorado, Washington, Idaho and Michigan produced from 300,000 to 500,000 bushels.

The following table shows production of certified seed potatoes by the ten leading states in 1937, 1940 and 1941:—

### *Certified Seed Production by Ten Leading States*

	1937 Bushels	1940 Bushels	1941 Bushels
Total, all states . . . . .	15,514,930	18,731,452	17,524,723
Maine . . . . .	8,519,901	8,466,196	7,692,833
North Dakota . . . . .	1,775,620	2,208,225	2,282,200
Minnesota . . . . .	1,686,902	1,954,034	2,122,450
Nebraska . . . . .	513,475	1,007,440	1,066,583
New York . . . . .	441,900	517,150	597,171
Oregon . . . . .	255,500	592,425	561,700
Colorado . . . . .	414,365	837,469	456,966
Washington . . . . .	206,293	424,134	440,069
Idaho . . . . .	214,836	380,332	367,831
Michigan . . . . .	240,208	407,706	324,141

### PRODUCTION BY VARIETIES

The following table gives United States production by most important varieties in the four years 1938 to 1941 inclusive:—

### *Certified Seed Production by Varieties*

	1938 Bushels	1939 Bushels	1940 Bushels	1941 Bushels
Cobbler . . . . .	4,123,661	4,081,139	4,888,605	4,546,780
Triumph . . . . .	2,215,795	2,615,917	4,087,957	3,802,802
Mountain . . . . .	1,743,385	2,885,914	2,959,936	2,769,524
Katahdin . . . . .	465,735	788,063	2,117,449	2,103,901
White Rose . . . . .	287,502	537,671	770,022	828,528
Netted Gem . . . . .	600,776	444,673	799,955	705,614
Chippewa . . . . .	324,816	692,719	972,908	642,137
Russet Rural . . . . .	433,787	338,765	512,400	429,390
Early Ohio . . . . .	247,957	369,279	428,640	290,645

*Certified Seed Production by Varieties—Concluded*

	1938 Bushels	1939 Bushels	1940 Bushels	1941 Bushels
Rural New York . . . . .	134,272	99,080	135,876	105,352
Burbank . . . . .	50,740	64,626	97,065	82,083
Russet Burbank . . . . .	54,127	71,498	63,223	76,309
Spaulding Rose . . . . .	108,838	90,680	36,034	20,358
Others . . . . .	470,121	653,400	861,382	1,121,300
Total . . . . .	11,261,512	13,733,424	18,731,452	17,524,723

## PRICES

The United States Department of Agriculture reports that prices of certified seed potatoes to growers on December 1, 1941, averaged 93 cents per bushel as compared with 69 cents in the previous year, 99 cents in 1939, 85 cents in 1938 and 63 cents in 1937. About 18 per cent of the crop was sold at that date as compared with 20 per cent in 1940 and 19 per cent in 1939.

Duty on Canadian seed within the quota limit of 1,500,000 bushels is 37½ cents per 100 pounds. Transport charges are also high, ranging from 40 to 50 cents per 100 pounds.

## PROSPECTS FOR CANADIAN SEED

During the season September 15, 1940, to September 14, 1941, Canada sold 750,077 bushels of seed potatoes, or one-half of the maximum allotment, despite the largest crop in history in the United States. High prices in the United States this year should reduce somewhat the differential in price between Canadian and American seed, and it is probable that sales during the present season, if shipping is available, will exceed those of last year.

## UNITED KINGDOM TIMBER PRICES

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

BRISTOL, January 5, 1942.—Operative from to-day, the Minister of Supply has made a new Control of Timber Order (No. 21), the primary purpose of which is to make uniform prices for "National Stock" imported timber. Roughly, all imported timber which had been paid for by the quota-holder to the wharfinger prior to this date is known as "*Exempt National Stock*" and is not affected by the new Order.

The new Order is a revoking and consolidating one. It does not change the general level of prices, but provides uniform prices in place of prices varying with the cost of transport from the port to the wharfinger's yard where the timber is stored.

Some price adjustments have been made to facilitate the substitution of one timber for another, especially of hardwood. With regard to softwood, instead of an overhead price for all dimensions in each grade of Pacific Coast woods, there is now a separate price for each size, as hitherto applied to Eastern Canadian woods.

National Stock fixed prices are contained in a schedule to the new Order and are free on conveyance wheresoever the timber may be situated. For ascertaining these prices an "equalization charge", to be added to the fixed basis price, replaces the former method of computation of port differential, inland carriage, inland yard charge of 20s., and the 10s. under-cover charge. The equalization charge is as follows: (1) on telegraph poles, 7½ per cent of the fixed basis price; (2) on softwood priced per cubic foot, 5d. per cubic foot; (3) on all other softwood, £3 5s. per standard; and (4) on hardwood, 3d. per cubic foot.

The quota-holder's remuneration is calculated on the fixed basis price as hitherto.

The prices of plywood and of home-grown timber will continue as in the schedules of the previous Orders affecting them.



# SUMMARY OF THE TRADE OF CANADA: DECEMBER AND TWELVE MONTHS ENDING DECEMBER, 1941

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of December, 1941				Twelve Months ending December, 1941			
	From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for Consumption</i>								
Agricultural and Vegetable Products.....	13,267,703	762,193	4,986,474	171,835,408	7,297,249	55,601,115		
Animals and Animal Products.....	3,096,656	469,612	1,132,841	34,845,584	5,238,435	16,389,776		
Fibres, Textiles and Textile Products.....	14,614,246	4,880,902	5,204,316	161,138,512	61,104,484	49,234,482		
Wood, Wood Products and Paper.....	3,241,726	191,738	2,933,196	36,739,071	2,562,871	32,964,560		
Iron and Its Products.....	34,165,941	1,088,786	32,893,723	431,622,365	18,373,847	140,279,249		
Non-Ferrous Metals and their Products.....	8,164,161	5,921,929	5,275,171	94,758,269	8,804,061	65,868,657		
Non-Metallic Minerals and their Products.....	16,272,648	1,072,550	13,110,459	189,847,255	17,280,776	149,958,125		
Chemicals and Allied Products.....	5,376,047	709,632	4,398,454	65,382,196	9,006,793	53,844,855		
Miscellaneous Commodities.....	27,580,038	4,822,611	22,561,756	262,516,457	89,770,441	170,180,790		
Total Imports 1941.....	125,779,166	14,589,973	92,446,390	1,448,685,117	219,418,937	1,004,391,619		
1940.....	102,302,476	18,212,038	69,029,253	1,081,950,719	161,216,352	744,231,156		
1939.....	72,109,338	8,458,573	49,101,812	751,035,534	114,007,409	496,838,466		
<i>Exports (Canadian Produce)</i>								
Agricultural and Vegetable Products.....	29,397,830	11,752,901	11,912,694	285,708,739	165,382,431	75,083,326		
Animals and Animal Products.....	21,568,799	12,587,245	6,007,000	201,730,555	114,989,952	64,738,259		
Fibres, Textiles and Textile Products.....	2,940,175	186,609	756,698	30,677,521	3,221,563	6,529,011		
Wood, Wood Products and Paper.....	34,174,145	3,441,172	27,288,194	387,113,232	57,433,533	285,996,876		
Iron and Its Products.....	20,791,336	5,931,180	1,907,761	239,900,848	70,251,006	14,246,083		
Non-Ferrous Metals and their Products.....	18,772,168	7,298,041	7,280,216	244,012,336	131,692,754	92,274,915		
Non-Metallic Minerals and their Products.....	4,569,625	329,781	3,343,472	45,172,085	5,042,861	32,259,750		
Chemicals and Allied Products.....	6,135,273	2,694,714	2,030,316	58,676,338	26,426,096	15,430,630		
Miscellaneous Commodities.....	12,128,115	4,235,564	1,574,833	128,011,521	83,728,058	13,184,413		
Totals, 1941.....	150,472,466	48,417,207	62,101,244	1,621,008,175	658,228,354	589,713,463		
1940.....	97,620,927	30,945,740	43,791,705	1,178,954,420	508,095,949	442,984,157		
1939.....	101,021,522	29,317,085	53,996,114	924,426,104	328,099,242	380,392,047		
<i>Exports (Foreign Produce)</i>								
Totals, 1941.....	1,618,646	322,470	886,448	19,451,366	3,009,623	9,976,894		
1940.....	1,089,733	132,109	838,124	14,263,172	4,221,479	8,959,511		
1939.....	951,206	47,769	838,904	10,995,609	787,193	9,861,551		
<i>Excess of Imports (i) or of Exports (e)</i>								
Totals, 1941.....	(e) 26,311,946	(e) 34,149,704	(i) 29,438,698	(e) 191,760,424	(e) 441,819,020	(i) 394,701,262		
1940.....	(i) 3,591,816	(e) 12,865,811	(i) 24,379,424	(e) 111,266,873	(e) 351,101,076	(i) 292,287,488		
1939.....	(e) 29,863,390	(e) 20,906,281	(e) 5,733,206	(e) 184,866,179	(e) 214,879,026	(i) 107,144,868		

## CANADIAN TRADE WITH INDIA, APRIL-OCTOBER, 1941

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.335 Canadian)

Bombay, December 5, 1941.—Indian Government returns of trade with Canada for the seven months ending October 31, which have just been received, show that the value of imports of Canadian goods during this period increased to Rs.35,530,472. This figure compares with Rs.11,463,718 for the corresponding period of 1940. For the month of October alone the figures were Rs.8,105,816 and Rs.1,108,039 respectively.

Exports of Indian goods to Canada have shown similar increases in value. For the seven months of 1940 the value of these exports was Rs.18,102,065; in the seven months of 1941 the value rose to Rs.36,997,511. For October alone the totals were Rs.1,678,763 and Rs.10,804,996 respectively.

Up to the end of September Canada had held a slight advantage in the balance of the year's trade with India. Unusually large exports to the Canadian market during October have, however, swung the balance in India's favour. The seven-month balance is Rs.1,467,039.

Trade values by countries of origin up to October 31 show that Canada ranked seventh at that date among all suppliers of India's import requirements. As an export market for Indian produce Canada stood in eighth position.

## FISH TRADE OF JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, January 24, 1942.—The Jamaican trade in imported fish is considerable and of long standing. Dried cod, pickled mackerel, pickled alewives and canned salmon and sardines are large items of popular diet in this colony; pickled herring are also consumed, but to a much less extent. There is normally a small luxury trade done in imported fresh fish, but wartime regulations have made this trade still smaller. The coastal waters of Jamaica abound with various kinds of tropical fish that are eaten in fair quantities, but this local fish is dearer than the imported preserved kinds. The industry is not organized, fishing being carried on by a number of fishermen living in the seaport towns, who make a modest living in this way. Methods of distribution are more or less primitive, and facilities for refrigeration are limited. Efforts have been made in recent years to improve conditions, but little of importance has been accomplished.

### TYPES OF FISH SOLD

The largest seller is dried salted cod, and the prevailing demand is for fish of medium quality and of hard brown cure in large, medium and small sizes. Only relatively small quantities of really high-grade fish are imported. The main requirement as to cure is that the fish should keep for some months in a hot climate. In the eleven months ending November 30, 1941, total imports of dried salted fish (mostly cod) into Jamaica were 8,776,876 pounds valued at £193,038 c.i.f. Imports in the calendar year 1940 totalled 11,469,835 pounds (£180,416); in 1939, 17,428,907 pounds (£202,884); and in 1938, 18,238,721 pounds (£212,180). Included in these figures are small quantities of hake and pollock.

As is well known, Newfoundland is and long has been the largest factor in the Jamaican codfish trade. During the past few years Newfoundland's exports to all markets have been controlled by the Newfoundland Fisheries Board, which fixes prices and grades and in general conducts a trade promotion service in export fields.



It has been stated on behalf of Newfoundland fish interests that the heavy decline in imports disclosed by the 1941 figures was mainly due to the fact that during most of that year supplies of Newfoundland codfish available for the Jamaican market were short because exports from that country had been diverted elsewhere, notably to Spain, Portugal and Brazil, where higher prices could be obtained than in Jamaica. Moreover, there was an actual shortage in the Newfoundland catch resulting from the departure abroad of many Newfoundlanders for war service and from the employment of others in defence projects, which were and are more attractive than fishing.

On the other hand, the advance in price which became effective in October last appears to have reduced sales to Jamaica, at least to some extent. Newfoundland exporters, whose offerings had been scarce during the preceding months of 1941, are reported then to have begun to show more interest in the Jamaican market, but some local agents state that buyers held off because they were unwilling to pay the higher prices asked.

#### PICKLED MACKEREL

Pickled mackerel hold second place in Jamaican popular taste, and large fish are preferred to small; the latter are, however, sold in appreciable quantities. Canada has and long has had almost all this business. Since 1938 imports of mackerel have moderately increased, due probably to the advance in the price of dried cod. In the period January 1 to November 30, 1941, the imports totalled 8,299,200 pounds valued at £98,805 c.i.f. as compared with 8,034,500 pounds (£68,951) in the calendar year 1940, 7,860,500 pounds (£59,355) in 1939, and 7,060,050 pounds (£50,848) in 1938.

#### PICKLED ALEWIVES

Third in importance (so far as dried and pickled fish are concerned and excluding canned fish, which comprises several kinds) are pickled alewives, of which Canada is and long has been the chief supplier. In the period January-November, 1941, imports totalled 2,505,100 pounds (£23,275) as against 2,083,000 pounds (£14,434) in the calendar year 1940, 1,501,100 pounds (£8,983) in 1939, and 2,088,000 pounds (£12,320) in 1938.

#### PICKLED HERRING

Many years ago pickled herring was second to dried salted cod in popular favour but has since lost this place to mackerel. Imports of the former are not large, amounting in the eleven months ending November, 1941, to 307,600 pounds (£3,518), as compared with 571,800 pounds (£4,079) in the calendar year 1940, 685,216 pounds (£4,010) in 1939, and 381,450 pounds (£2,411) in 1938. Canada is the chief supplier. Large and medium sizes are mainly in demand; there is not much demand for small herring.

#### SMOKED HERRING AND PICKLED SALMON

Smoked herring and pickled salmon are regularly imported but are by comparison only minor items in Jamaica's trade in dried and pickled fish. In the eleven months ending November, 1941, imports of the first-named totalled 196,901 pounds (£3,087) and of the second 63,250 pounds (£1,803). In the calendar year 1940 the imports were: smoked herring, 48,117 pounds (£914); pickled salmon, 31,900 pounds (£839). Imports in 1939 were, respectively, 99,894 pounds (£1,067) and 43,800 pounds (£847); and in 1938, 109,203 pounds (£1,079) and 65,340 pounds (£1,382). Very small quantities of smoked salmon were imported in any of these periods, and in 1941 there were no imports. Canada dominates the pickled fish trade, but Newfoundland is a supplier of considerable quantities of pickled salmon, for which the demand is fairly constant though not large.

## CANNED FISH

Canned fish, comprising mainly salmon and sardines, appreciable quantities of herring and pilchards and smaller quantities of cod roes, crab meat, shrimps, lobster and one or two other varieties, represents an old, well-established business in Jamaica. Pink and chum salmon and cheap sardines packed in oil are the largest sellers.

Imports of all kinds of canned fish totalled 1,617,959 pounds (£45,034) in the first eleven months of 1941, as against 983,291 pounds (£25,133) in the calendar year 1940, 1,369,191 pounds (£34,222) in 1939, and 1,608,697 pounds (£34,879) in 1938.

## FRESH FISH

Normally, imported fresh fish is a small luxury trade, but in a strict sense it has almost ceased since the Jamaican Food Controller in August last prohibited the importation of fresh fish exceeding in value 1s. per pound c.i.f. Before that time fresh salmon, sole, halibut and cod were regularly brought in, for use largely by hotels. A well-known Kingston firm owning and operating a refrigeration plant was prominent in this trade. Since the above-mentioned restriction became effective its purchases have been limited to smoked and filleted haddock and kippered herring, which are not, strictly speaking, fresh fish but which appear to be treated as such in the Jamaican customs returns. These show that in the period January to November, 1941, inclusive, imports of all kinds of fresh fish totalled 20,360 pounds (£589) as against 15,527 pounds (£498) in the calendar year 1940, 26,018 pounds (£725) in 1939, and 22,048 pounds (£579) in 1938. This business does not appear to offer any appreciable possibilities for expansion. Up-to-date facilities for refrigeration are somewhat limited in Jamaica.

## FISH PRODUCTS

Before the outbreak of war a large merchant house handling fertilizers brought in each year from England about 700 tons of fish manure, but these imports have since ceased. Fish meal, for making up stock and poultry feed, is imported chiefly from Canada, in bags of about 200 pounds, to the extent of several hundred bags per annum. This business is said to be growing, because more poultry is now bred than formerly, and efficient and up-to-date methods are followed to a greater extent. Cod liver oil in tin-lined iron drums holding 30 to 50 gallons has been coming in from Newfoundland; shipments have also recently been received from Canada.

Some retail druggists bottle cod liver oil under their own brands, but they also retail any desired quantity to a purchaser bringing his container. Bottled cod liver oil in 4-ounce, 8-ounce, and 16-ounce sizes, packed by well-known pharmaceutical manufacturers, is likewise on the market. A large user of bulk supplies is the King George V Jubilee Memorial Tuberculosis Hospital, which is owned and operated by the Jamaica Government. Anti-tuberculosis and other public health work has increased the demand for such oil, of which a few hundred drums are now imported annually. It is considered likely that this business will gradually increase. Small quantities of concentrated halibut liver oil put up in small bottles, for feeding infants and children, are sold.

## BUSINESS METHODS

Imported dried and pickled fish is sold chiefly through resident commission agents, mostly large and well-established firms. They regularly cover the wholesale trade, which is predominantly in Chinese hands. Sometimes, however, the agents buy outright for their own account on cash terms. Canned fish is as a rule purchased in this way and in quantity (e.g. a carload of salmon or sardines) by large distributors, generally against sight drafts or irrevocable letters of credit.



## CUSTOMS DUTIES

Fish and fish products imported into Jamaica are subject to the following duties:—

	British Preferential Tariff	General Tariff
Salmon and trout: cured, dried, salted, smoked or pickled per 100 lb.	5s.	10s.
Alewives, herring, mackerel: cured, dried, salted, smoked or pickled . . . . . per 100 lb.	2s.	4s.
Other kinds: cured, dried, salted, smoked or pickled per 100 lb.	3s. 6d.	7s.
Fresh, uncured, including all refrigerated . . . . . ad val.	10%	20%
Canned . . . . . ad val.	10%	20%
Cod liver and other fish oil . . . . . ad val.	15%	20%
Fish manure . . . . .	Free	Free

Ad valorem duties are assessed on the c.i.f. value, which includes wharfage charges. In addition, a tax of 2s. is imposed on each package, and, if a package weighs more than 448 pounds, there is a further charge of 6d. per 112 pounds.

## DOMESTIC INDUSTRY

Detailed information as to the extent of the catch of fish in Jamaican coastal waters is not available, but it is estimated at 2,000,000 pounds annually in round figures, representing a value of £65,000 to £70,000. Between 900 and 1,000 persons are reported to be engaged in this industry. As the Island's population is about 1,250,000, it is apparent that the annual per capita consumption of local fish is small. The fish is sold fresh and peddled from house to house in Kingston and other towns. Middlemen and contractors to hotels and other institutions sometimes buy in bulk from the fishermen. Fish of this kind is also sold in the public markets. Retail prices in Kingston range from 10d. to 1s. 3d. per pound for good table varieties such as kingfish, mullet and snapper; prices in the country are lower. Sprats, to which the poorer people are partial and which are fried and sold in public places, usually along the sidewalks and outside markets on days when the peasants come to town to sell their fruit and vegetables, are retailed by number and are rather cheaper.

In the past three or four years plans have been discussed favouring the development of the local fishing industry by modernizing its methods and even by providing facilities for curing. Fishermen have been urged to co-operate in their own interests, and public health authorities have occasionally extolled the superior nutritive qualities of local fresh fish, but the results of these activities have been negligible so far, and supplies continue to be scarce. The Jamaica Government Marketing Department buys fresh fish on the beaches from the fishermen and stores it at a refrigeration plant in the city, from which it is sold to peddlers and also to individual consumers.

## PRICE CONTROL

The Jamaica Government's Imports, Exports and Prices Control Board regulates prices of imported fish, as it does those of many other commodities. The following are the maximum prices fixed by the Board ruling as at the date of this report:—

	Wholesale Per 200-lb. Cask	Retail Per Lb.
Alewives, pickled . . . . .	£3 8s. 6d.	5½d.
Mackerel, pickled . . . . .	£4 6s.	6½d.
Herring, pickled . . . . .	£3 9s. 6d.	5½d.
Salmon, pickled . . . . .	£7 5s.	10½d.
Cod, dried, salted—	Per 448-lb. Cask	
No. 1 grade, large and medium sizes . . . . .	£15 1s.	9½d.
No. 1 grade, small . . . . .	£14 12s.	9d.
No. 2 grade, large . . . . .		
No. 2 grade medium . . . . .	£14 3s.	8½d.
No. 2 grade, small . . . . .		
No. 3 grade, large . . . . .	£13 15s.	8½d.
No. 3 grade, medium . . . . .		
No. 3 grade, small . . . . .		

## Price Control—Concluded

	Wholesale Per 448-lb. Cask	Retail Per Lb.
Salmon, salted, dry or smoked . . . . .	....	10d.
Herring, smoked fillets of . . . . .	....	1s. 6d.
Canned fish—		
Sardines, Canadian or British:	Per Doz.	Per Tin
(a) Flat 3½-oz. tins, in oil . . . . .	2s. 11d.	3½d.
(b) 14-oz. tins, in oil . . . . .	8s.	9d.
(c) 4-oz. flat, in tomato sauce . . . . .	....	6d.
(d) 7-oz. ovals . . . . .	....	7½d.
(e) 14-oz. ovals, in tomato sauce . . . . .	....	9½d.
	Per Case	
(f) Cases of 100 5-oz. talls, in oil . . . . .	29s.	4d.
(g) Cases of 100 5-oz. talls, in tomato sauce . . . . .	32s.	4½d.
Salmon, chum—		
Cases of 48 1-lb. tins . . . . .	....	10d.
Cases of 96 ½-lb. tins . . . . .	....	7d.
Salmon, coho—		
Cases of 48 1-lb. tins . . . . .	....	1s. 6d.
Cases of 96 ½-lb. tins . . . . .	....	10½d.
Salmon, pink:		
Cases of 48 1-lb. tins . . . . .	....	1s.
Cases of 96 ½-lb. tins . . . . .	....	8½d.
Fresh fish—		Per Lb.
(a) Haddock, whole, smoked . . . . .	....	1s. 2d.
(b) Haddock, fillets, smoked . . . . .	....	1s. 5d.

Kipperd herring is not controlled; the usual price is 6d. each.

The prices of canned and fresh fish listed above are by no means all those that have been fixed by the Food Controller. Such fish is sold in Jamaica in a fairly wide range; the types mostly in demand are listed for purposes of illustration.

All the foregoing prices apply to the Kingston municipality; in rural districts a small addition, of a farthing a pound in most cases, is permissible. The prices of locally caught fresh fish have not yet been made subject to official control.

## EFFECTS OF WAR ON IMPORTS

Broadly speaking the chief effect of the war has been to reduce considerably Jamaica's imports of codfish and moderately to increase those of canned, pickled and smoked varieties. This is shown by the following figures of imports:

	Yearly Average, 1934-38 inclusive			Jan.-Nov., 1941
	Lb.	1939 Lb.	1940 Lb.	Lb.
Dried, salted fish (almost wholly cod) . .	16,166,592	17,428,907	11,469,835	8,776,876
Canned, pickled and smoked fish, all kinds	10,705,289	11,561,676	11,754,708	12,990,410

As shown by the foregoing figures, in 1940, and still more in 1941, imports of dried salted codfish declined heavily below the average annual figure for the last pre-war five-year period; the quantities purchased in 1939, however, moderately exceeded that figure, doubtless due to abnormally heavy buying before and shortly after war broke out. In 1938, the last pre-war year, imports totalled 18,238,721 pounds, the highest reached in any year. Imports of all kinds of canned, pickled and smoked fish moved in the opposite direction, although in less degree. In 1941 they rose about 30 per cent above the average figure selected for purposes of comparison, and it is apparent, therefore, that the shortage of codfish has to some extent resulted in a larger consumption of canned, pickled and smoked varieties, all of which are popular articles of diet, and which are supplied mostly from Canada. Figures for imported fresh fish, which is a luxury article and therefore in very limited use in Jamaica, are irrelevant to the comparison cited.

Several reasons have been given for the abnormally low consumption of cod in 1941 as compared with that of preceding years, and it has been suggested



that imports of pickled pork, pickled beef and canned meats, which are the kinds in general use, may have had some bearing on the matter; but, as the total quantity of these meat products imported in 1941 did not notably exceed the average for 1934-38, although there was a considerable shift between pickled pork and pickled beef, the explanation must be sought elsewhere.

It seems certain that the underlying causes of the decline of codfish imports were: (1) an appreciable rise in price; (2) greatly increased local production of foodstuffs; (3) much larger consumption of bananas, referred to below.

However, as explained above, supplies of Newfoundland codfish available for export to Jamaica are reported to have been short during 1941, and exporting interests claim that this was a contributing factor.

#### INCREASED CONSUMPTION OF BANANAS

The increased local consumption of bananas has resulted from the suspension by the United Kingdom Government of exports of this Jamaican fruit to Britain, normally the largest market. This was done towards the close of 1940, and that Government then arranged to pay growers 3s. per count bunch for their ensuing twelve months' crop up to a maximum of 12,000,000 stems accepted by the selectors. The maximum was subsequently raised to 14,500,000 stems because the output had exceeded the original crop estimate, and this arrangement, with certain modifications, has been continued in respect of 1942. The amount of the subsidy payable by the British Government is actually the gross sales value of the crop less proceeds from exports to Canada and the United States and from sales in Jamaica. The industry is therefore, and necessarily, state-controlled.

It is known that the total banana crop in 1941 was in round figures 15,000,000 stems, of which somewhat over 5,500,000 were shipped to Canada and the United States. Of the 9,500,000 stems remaining for consumption in Jamaica, a high proportion was sold for what they could bring, and the remainder was distributed free to the poorer people through the medium of various charitable organizations. It is also reported that considerable quantities of bananas were used to feed hogs. This is not a new development, however, as in the past "rejects" (fruit below exportable standard) were extensively used for this purpose, since it has been demonstrated that bananas make suitable hog-feed.

On the whole, also, war conditions appear to have increased the output and the consumption of locally produced fresh meat, poultry, pork, and goat's flesh, although to what extent cannot be estimated for lack of precise data. This is not a surprising concomitant of the shortage of so widely used an article of diet as codfish, of which the retail price is higher than prices of the products named above excepting poultry and first-grade cuts of fresh meat. This is especially so in the country districts, where about nine-tenths of Jamaica's population of 1,250,000 live, and where all kinds of locally produced foods are appreciably cheaper than in Kingston. The shortage of supplies of fresh meat lately experienced in this city unmistakably indicates a larger demand. For reasons connected with the war the number of meat-eaters in Jamaica is above normal.

#### DOMESTIC FOOD PRODUCTION

In 1936 local public health authorities launched a campaign to increase the output and the use of vegetable and flesh foods produced in Jamaica. This was done in connection with the annual observance of British Empire Health Week, during which speakers at public meetings asserted that many kinds of imported foods, including fish, were deficient in nutritive value and that home-grown foods were better. Much in like strain was subsequently written from time to time in semi-official publications and in the press. In 1937 it was repeated in the interim report of a local Committee on Nutrition, appointed by the Jamaica Government at the request of the Secretary of State for the Colonies;

this report was given wide publicity and aroused a certain amount of public interest. After the disturbances that occurred during the summer of 1938 the Jamaica Government greatly extended its long-standing program of selling lands on easy terms to peasants, who were encouraged and financially assisted to grow fruits and vegetables and to breed small stock.

Shortly after the outbreak of war the Government launched a Food Production Campaign as a safeguard against an anticipated shortage of imported food supplies. Planters, large and small, were urged to grow more food, especially corn, peas and potatoes; they were financed from public funds and given attractive guaranteed prices for their crops, and in consequence the output not only of these three articles, but also that of a wide range of vegetables, has appreciably risen. The Government Marketing Department operates a cornmeal mill, which is the sole supplier of the local demand for this foodstuff (ground from locally grown maize); also a small experimental bacon-curing unit. There is another such unit, privately operated.

While it may not be possible to assign any single, definite reason for the greatly reduced imports of codfish into Jamaica during 1941, it is evident that there were several contributing factors, especially increased consumption of bananas and other locally produced foodstuffs. The unusually high price of codfish and the alleged shortage of supplies probably were among those factors. Also the increased circulation of money among the masses of the people, resulting from the carrying out of some large construction projects employing several thousands of Jamaicans, may to some extent have stimulated the local demand for fresh and imported meats.

It is too early to judge to what extent the existing situation can be regarded as stable, especially in respect of production and consumption of domestic foodstuffs. The limitations of economic development in a small country like Jamaica and also the fact that in order to retain overseas markets for its agricultural products Jamaica must buy from the countries providing those markets are not ignored by those in authority. Nevertheless, there has been of late years a tendency towards developing home industries of various kinds under tariff protection.

However, popular taste for the main imported varieties of fish covered in this report is well established, the masses of the people have been eating them for generations, and they keep for a fairly long time, an important advantage in a country where domestic and even public refrigeration facilities are within the reach of a relatively small minority. There is no present sign of any impending change in this circumstance. Jamaican dealers in imported fish are apparently confident that if the price of dried cod should fall they could sell more of it, provided, of course, that they could obtain supplies.

## FISH TRADE OF THE BAHAMAS AND BRITISH HONDURAS

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, January 24, 1942.—In the Bahamas and British Honduras the demand for imported fish is inconsiderable, primarily because these colonies have small populations, of about 60,000 each, and also because both have fair-sized fisheries supplying domestic needs.

### BAHAMAS

In general, good grades of imported fish are sold in the Bahamas. Canned fish ranks first in the import trade. During the calendar year 1940, which is the latest available period of record, total imports of this kind were valued at £3,729 f.o.b. countries of origin. Of this amount the United States supplied to a value of £2,090; Canada, £1,281; Russia, £304; and the United Kingdom and Norway the negligible remainder. Imports of dried, salted fish in this period



totalled 154 hundredweights (of 112 pounds) worth £403, of which 146 hundredweights (£347) came from Canada and the small remainder from the United States. Fresh fish was brought in to the total value of £656: United States, £615; Canada, £41. These are the only recorded imports of fish.

Of canned fish, salmon is the chief type on the market. The demand in Nassau, the capital, is mainly for pinks, while chums have most of the trade in the outports. A small business is done in canned sardines. Of dried, salted fish, smoked herring in standard 18-pound boxes is the principal type sold. There is practically no demand for cod. The proximity of the Bahamas to southern United States ports makes it inevitable that that country should have most of the trade in the types it can supply—canned and fresh fish.

The duty on fresh fish imported into the Bahamas is  $\frac{1}{2}$ d. per pound if of British Empire origin, otherwise the rate is 1d. Other kinds are subject to ad valorem duties of 10 per cent and 20 per cent, respectively. In addition there is a wartime surtax of 5 per cent ad valorem on all kinds of fish.

The local catch, which is mostly of good quality, comprises several species and is sold at very low prices. Official figures of production are not available for any more recent year than 1939, when approximately 1,721,800 pounds of fish, with an estimated value of £28,674, were caught in Bahamas waters and disposed of in the Nassau market, and upwards of 600 persons were engaged in fishing. The inhabitants of the out-islands fish regularly for their own use. Fair quantities of fish are dried and corned for the domestic trade.

There is also in the Bahamas a moderate-sized crawfish canning industry, the products of which are exported as well as sold locally. Exports in 1940 totalled 7,050 hundredweights valued at £13,130, and went to the United States. The cannery is in the island of Grand Bahama, about 60 miles from Palm Beach, Florida. Small quantities of fresh fish were likewise shipped to the United States in that year.

#### BRITISH HONDURAS

Unlike the Bahamas, British Honduras has no tourist trade and a notably poorer population, most of whom are engaged in lumbering and spend the greater portion of their time in lumber camps in the interior. For this reason canned fish is the chief type imported. In 1940 such imports totalled 744 hundredweights (of 112 pounds) valued at \$9,962 c.i.f. Belize. Of this amount Canada shipped 638 hundredweights (\$8,205) and the United States 88 hundredweights (\$1,308). Salmon and sardines were the principal kinds.

In that year dried, salted, smoked and pickled fish were also imported to the amount of 160 hundredweights (\$1,565), of which Canada supplied 101 hundredweights (\$764); Norway, 37 hundredweights (\$348); the United States, 18 hundredweights (\$403); and Denmark the small remainder. Cod was the largest item. Of fresh fish a total of only 6 hundredweights (\$170) was imported, almost entirely from the United States. The currency of British Honduras is based on the United States gold dollar.

Import duties are 10 per cent ad valorem under the British preferential tariff and 20 per cent under the general tariff on all kinds except fresh fish, which is free of duty under the former tariff and pays 5 per cent ad valorem under the latter. In addition, a package tax of 10 cents is payable on every package landed, and this is now subject to a war surtax of 5 cents per package.

Many kinds of fish are caught regularly and plentifully in British Honduras coastal waters and rivers. The catch is sold at low prices in Belize and other towns. The industry is of fair size, but particulars of output are not available. Most of the fish are eaten fresh, but some are dried or corned. The British Honduras customs returns for 1940 show that small quantities of conches and of fresh and dried or salted fish, all domestic produce, were exported in that year to Mexico and the Republic of Honduras.

## CONDITIONS IN THE CUBAN AND DOMINICAN REPUBLIC DRIED AND SMOKED FISH MARKETS

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### Cuba

Havana, January 15, 1942.—A curtailment of consumption and further increases in price are the noteworthy characteristics of the market in Cuba at present.

#### HAVANA MARKET

The demand for dried salt fish in this market is unusually weak for this period of the year when consumption invariably reaches its peak, and this is no doubt the result of the high prices now prevailing. Imperial and large codfish are currently quoted at \$17 and \$16.50 respectively per bale of 100 pounds c.i.f. Havana, which represents an advance of \$1 per unit since the previous monthly report. Although exportable Canadian stocks are reported to be low, apparently there is no difficulty in obtaining the quantities now required by the Havana market. Importers are following a hand-to-mouth policy by buying minimum quantities as required, and it is doubtful if they will commit themselves to advance orders while the present high prices are asked. There is some hope of a strengthening in the demand once the sugar harvest, which is just now commencing, gets further under way and the effect of the increased buying power of the labouring classes is felt in the local market. It is thought, however, that any improvement will be small for the reason that people are eating more fresh and dried meat and fresh fish of local production, the prices for which remain comparatively low.

#### SANTIAGO DE CUBA

Prices in this market have also advanced during the past month. Medium and small codfish in drums of 128 pounds are currently quoted at \$15.35 and \$14.85 respectively c.i.f. Santiago de Cuba via New York, which is 50 cents per drum above prices of one month ago. As far as can be determined there has been no noticeable decrease in consumption and all allotments are apparently being placed.

### Dominican Republic

The outstanding factor in the Dominican Republic fish market during the last two months has been an appreciable rise in price of all types of dried and smoked fish. This price increase has caused a drop in consumption, although not to the extent that might have been anticipated had economic conditions not also considerably improved.

This improvement is particularly the case as regards sugar, since the whole of the forthcoming crop has already been sold to the British Government at \$2.65 per 100 pounds f.o.b. steamer Dominican port. This price is 75 per cent in excess of the price of similar sales two years ago, and the higher return plus the assured market has greatly improved the economic outlook in the republic.

For this reason the present high prices for fish of all kinds have not seriously curtailed consumption. Total sales are down appreciably, but it is the general opinion that the fall in sales is due mainly to scarcity of supply rather than to high prices.

Codfish prices from Newfoundland for new pack Labrador semi-dried were quoted around the New Year at \$14.25 per drum of 128 pounds c.i.f. Only a few hundred drums were available at that price. It is probable that the falling-off in consumption is more marked in the case of codfish than in that of any other types. The coming of Lent is expected to improve sales.

A price increase of about \$1 has taken place since the last report in the case of Nova Scotia pollock. A few hundred drums of this fish have been



imported at prices ranging from \$13.50 to \$14 c.i.f. The price of hake, which was stationary for a great many weeks, has also shown a sharp upturn since the last report (*Commercial Intelligence Journal* No. 1974: November 29, 1941). In recent weeks a few hundred drums have been bought at prices ranging between \$11.75 and \$12.75 c.i.f. Haddock similarly is showing a much greater return. Whereas at the beginning of November the price was around \$10.50, the present quotation for haddock is around \$14 c.i.f., at which level some 300 drums have recently been sold.

The greatest relative price increase occurred in bloaters, which advanced 75 cents per box during the last six weeks of the year to a year-end quotation of \$2 to \$2.05 per box. There is little doubt that this was due mainly to the very short supply this year of herrings. It is understood that the present herring pack is almost exhausted and that no further supplies will be available until about next June. Accordingly it is expected that the current prices will remain firm for the next six months at least.

## COSTA RICA'S FOREIGN TRADE, JANUARY TO JUNE, 1941

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(5·62 colones equal U.S.\$1)

Panama City, January 12, 1942.—The total foreign trade of Costa Rica during the first six months of 1941 was valued at 77,642,000 colones as against 74,764,000 colones during the similar period of 1940, an increase of 2,878,000 colones. Exports were valued at 31,028,000 colones as against 27,413,000 in the 1940 period, an increase of 3,615,000 colones, and imports at 46,614,000 colones as against 47,351,000 colones, a decrease of 737,000 colones. Costa Rica had thus an unfavourable balance of trade during the first six months of 1941 of 15,586,000 colones as compared with an excess of imports during the 1940 similar period amounting to 19,938,000 colones, a decrease of 4,352,000 colones.

### EXPORTS BY PRINCIPAL COUNTRIES

The United States, as usual, was the leading purchaser of Costa Rican goods during the period under review. Shipments to that country were valued at 26,497,000 colones as against 13,989,000 colones, an increase of nearly 100 per cent. Exports to the United Kingdom, which were valued at 9,882,000 colones in the 1940 period, were almost negligible during the period under review. Canada, which ranked fifth amongst Costa Rica's export markets during the whole of 1940, moved up to second position during the first six months of 1941 with purchases valued at 1,624,000 colones as against 839,000 colones during the first half of 1940, an increase of 785,000 colones.

Exports to Japan were valued at 268,000 colones and to Switzerland at 220,000 colones. Exports to "other" countries were valued at 2,419,000 colones as against 310,000 colones during the similar 1940 period.

### PRINCIPAL PRODUCTS EXPORTED

Coffee, bananas, cocoa, gold, concentrates and tuna fish were Costa Rica's main exports and made up over 95 per cent of total exports. Statistics of exports by individual countries of destination during the period under review are not available, but figures for 1939, except with respect to European countries, show approximately the distribution of Costa Rica's exports.

Exports of coffee during the period under review were valued at 16,524,000 colones as against 18,296,000 colones during the first half of 1940, a decrease of 1,772,000 colones. The largest buyers of Costa Rican coffee during 1939 (the latest year for which this information is available) were Germany, Great Britain, United States, Canada, and Holland. Before the present war, London, Hamburg

and Amsterdam were distributing centres for Costa Rican coffee for the whole of Europe. The United States and Canada were generally regarded as the largest purchasers of coffee from Costa Rica during the period under review. There were no exports in this period to Germany, Great Britain, and Holland, former buyers of Costa Rican coffee.

Exports of bananas were valued at 9,876,000 colones as against 4,992,000 colones in the 1940 period, an increase of 4,884,000 colones. In 1939 the United States was by far the largest purchaser, with Germany taking second place, followed by Canada and the United Kingdom.

Cocoa exports were valued at 2,332,000 colones as against 1,450,000 colones during the 1940 period, an increase of 882,000 colones. During 1939 the United States and Germany were by far the two largest purchasers of this product from Costa Rica; the United Kingdom purchased small amounts. Exports of gold bullion, all to the United States, were valued at 1,323,000 colones as against 1,271,000 colones, an increase of 52,000 colones.

Exports of tuna fish were valued at 145,000 colones as against 788,000 colones, a decrease of 643,000 colones. In 1939 the United States was the sole purchaser of tuna fish from Costa Rica.

Exports of mineral earth concentrates were valued at 348,000 colones as against 181,000 colones, an increase of 167,000 colones. Destinations are not recorded. Other exports included vegetables (27,000 colones) and lumber (10,000 colones).

#### IMPORTS BY PRINCIPAL COUNTRIES

Costa Rica's chief source of supply for imports during the period under review was the United States, from which goods were purchased to the value of 37,412,000 colones as against 34,280,000 colones during the 1940 similar period. The United Kingdom ranked second as a supplier of goods to Costa Rica, imports from that country being valued at 2,909,000 colones as against 2,096,000 colones during the 1940 period. Imports from Japan were valued at 1,422,000 colones as against 916,000 colones. Those from Canada were valued at 568,000 colones as against 413,000 colones, and from Germany at 254,000 colones as against 2,933,000 colones in the 1940 half-year period. These latter imports undoubtedly reached Costa Rica via Japan or possibly South America. Imports from Sweden were valued at 221,000 colones as against 79,000 colones, from Switzerland at 183,000 colones as against 226,000 colones, and from Spain at 155,000 colones as against 82,000 colones.

#### PRINCIPAL PRODUCTS IMPORTED

Costa Rica's largest imports, from a value standpoint, were wheat flour, cotton fabrics, gasoline, cement, lard, chemical products, leather, petroleum, and automobiles and accessories.

Imports of wheat flour were valued at 1,677,000 colones as against 1,654,000 colones in the 1940 similar period. This product was imported chiefly from the United States and Canada.

Imports of cotton fabrics were valued at 1,598,000 colones as against 1,381,000 colones. Imports of gasoline were valued at 1,482,000 colones against 1,555,000 colones, chiefly from the United States and Curacao. Imports of cement were valued at 1,250,000 colones as against 945,000 colones, chiefly from the United States. Imports of lard were valued at 851,000 colones as against 811,000 colones and of chemicals at 843,000 colones as against 794,000 colones. The former product came chiefly from the United States, although Canada also supplied a certain quantity. Imports of leather were valued at 773,000 colones as against 686,000 colones, while those of crude petroleum were valued at 653,000 colones as against 341,000 colones. Imports of automobiles and accessories, chiefly from the United States, were valued at 649,000 colones as against 632,000 colones. The following other products were imported to a value exceeding 200,000 colones but less than 600,000 colones: fertilizers, radio apparatus, woollen cloth,



matches, pipes, cotton yarns, cotton thread, machinery, cotton stockings, wrapping paper, paraffin, coffee bags, cotton prints, silk fabrics, and zinc.

### COSTA RICA'S TRADE WITH CANADA

Costa Rica's total trade with Canada during the period under review was valued at 2,192,000 colones as against 1,252,000 colones in the 1940 period. Exports were valued at 1,624,000 colones as against 839,000 colones and imports at 568,000 colones as against 413,000 colones. Costa Rica had thus a favourable balance of trade with Canada during the period amounting to 1,056 colones as against an excess of exports during the 1940 similar period amounting to 426,000 colones.

Coffee and bananas are practically the only commodities exported to Canada from Costa Rica, the former accounting for about 80 per cent of the total value of exports to the Dominion.

While Costa Rican statistics are not available for imports from Canada during the period under review, it is known that purchases included the following products: automobile tires and tubes, silk stockings, wheat flour, canned salmon, dried codfish, newsprint, kraft paper, paper bags, wallpaper, sardines, canvas rubber shoes, and rye whisky.

### WARTIME CONTROL OF PRIVATE BANKS IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, December 1, 1941.—At a conference with Federal Ministers and representatives of the Commonwealth Bank, private banks agreed to accept without public protest the National Security Regulations which the Government is to introduce for the licensing and control of trading banks.

Conditions of licence, which the Commonwealth Treasurer defined in his budget speech, were:—

1. Private banks must deposit excess investable funds with the Commonwealth Bank.
2. They must publish accounts and balance sheets in the form and at intervals ordered by the Treasurer.
3. They must provide the Commonwealth Bank with such information as the Treasurer directs.
4. Their affairs must be subject to inspection by the Auditor General.

Coincident with this action, the Government will terminate the practice of the Commonwealth Bank guaranteeing private bank advances for war production and substitute a system of direct advances by the Commonwealth Bank. The new regulations will prescribe the rate of interest to be paid by the Commonwealth Bank on deposits lodged with it by trading banks.

Private banks will lodge about £20,000,000 of their investable surplus funds in a special deposit account at the Commonwealth Bank at an interest rate of just under 1 per cent.

This is the sum that the Federal Treasurer has decided that private banks should place on deposit under the new banking regulations. It is additional to a further sum of about £30,000,000 accumulation since the war, which the banks have lodged with the Commonwealth Bank by arrangement without interest. The Commonwealth will see that the first deposit does not fluctuate abnormally.

The aim of this is to prevent banks using the increased funds available because of war conditions to make increased profits and so bring about an unsound expansion of credit. Government officials do not expect the banking regulations to have any effect upon the ability of small borrowers to obtain their normal volume of overdrafts, as the banks will be left with adequate resources to fill their needs. It is estimated that they will still have about £20,000,000 of liquid funds at command for advances.

While neither the Government nor the banks consider that the operation of the regulations will interfere with usual business operations, the Government is determined that individual banks will not use refusal of loans as propaganda against its banking policy. If complaints that the Government is being made a scapegoat reach it, action may be taken by the issue of National Security Regulations.

## NOTES ON TRADE AND INDUSTRY

### TENDENCY TO RELAX IMPORT RESTRICTIONS

During the past few weeks it has become increasingly clear that the main influence on South America's future trade is that the supply of shipping and essential imports, and the ability to dispose of its products, rest almost exclusively upon the goodwill of the United States and the United Kingdom. Armaments priorities in the United States, combined with shipping difficulties on many routes, have caused such a swing round in South American import markets that there is now a scarcity of essential imports, especially fuel, and, broadly speaking, South America's purchases from the United States and the United Kingdom now depend upon what these two countries can export, rather than what South America is able to buy. Consequently, there is an increasing tendency to relax South American import restrictions.—*The Times Trade and Engineering*.

### DAIRY EXPORTS FROM CUBA

Cuba, once a heavy importer of dairy products, exported such commodities to a value exceeding \$1,200,000 in the first nine months of 1941. Values of principal items exported were: butter, \$247,373; cheese, \$124,643; condensed milk, \$892,095.—*Cuba Economica y Financiera*.

### UNITED KINGDOM IMPORTS OF PULP

With the Northern European wood-pulp producers cut off from their British customers, imports of this material have declined to a small fraction of the pre-war tonnage. Considerable and extremely valuable shipments of pulp have been received from Canada and the United States, but shipping space has been a restricting factor. In the latter part of the year 1941 it was indicated that wood pulp was one of the commodities which would be supplied to Britain by the United States under Lend-Lease terms. In the meantime the American defence effort has been gaining momentum and scarcity of certain qualities of pulp has become apparent in the United States. Export control has also been extended to most grades of pulp. The Dominion of Canada, a full partner in the war effort, has continued to ship pulp to the United Kingdom to the fullest extent that the shipping position has allowed.—*The World's Paper Trade Review*.

### FOREIGN TRADE OF ECUADOR

The values of exports for the month of October and for the first 10 months of 1941 were 24 per cent and 18 per cent higher respectively than in the comparable periods of 1940. There was also an increase in the value of imports during November, 1941, compared with the same month of 1940, but imports for the 10-month period showed a decline of more than 16 per cent.—*Foreign Commerce Weekly*.

### IMPORTS INTO THE DOMINICAN REPUBLIC

Total imports for the first 7 months of 1941 are valued at \$6,317,590 compared with \$6,186,359 for the corresponding 1940 period (Dominican figures).

The present export position of the Dominican Republic is encouraging. During 1941 every important export product except sugar showed a marked increase in total value.



Dominican exports for the first 11 months of 1941 were valued at \$16,080,710 compared with \$17,578,350 for the corresponding period of 1940.

The sugar industry, though having a bad 1940-41 sugar year, appears to have excellent prospects for the 1941-42 crop.—*Foreign Commerce Weekly*.

#### CAUSTIC SODA AND ALCOHOL IN CHINA

Caustic soda and bleaching powder are produced by electrolysis of salt found in Szechwan. Construction of a large-size soda-ash plant is being held up because of difficulty of importing machinery.

Production of caustic soda by privately owned factories in unoccupied China amounted to 518 tons during the first half of 1940 and 954 tons during the first half of 1941. Production during the second half of 1940 amounted to 765 tons.

Only seven tons of bleaching powder were produced in the first half of 1940, but 192 tons were made during the first half of 1941. Production of bleaching powder for the entire year 1940 amounted to 137 tons. Among the chemical industries developed in unoccupied China since the outbreak of Sino-Japanese hostilities, alcohol plants have shown very rapid growth. During the past four years 36 alcohol plants have been erected with private capital. Total capacity of these factories is 4,500,000 gallons annually. The large production of sugar cane in Szechwan yields large amounts of molasses to be used as raw materials for the alcohol plants.—*Foreign Commerce Weekly*.

#### CONTROL OF EXPORTS FROM CANADA

##### ADDITIONS TO LIST OF PRODUCTS FOR WHICH A PERMIT TO EXPORT IS REQUIRED

Under two recent Orders in Council, three items have been added to the list of commodities which may not be exported from Canada except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa.

Under Order in Council P.C. 630 of January 26, 1942, the following two items were added, effective on and after February 2, 1942:—

##### GROUP 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

Cullet (broken glass), including ground glass.

##### GROUP 8—CHEMICAL AND ALLIED PRODUCTS

Soda ash (sodium carbonate).

Under Order in Council P.C. 674 of January 28, 1942, the following was added, effective at twelve o'clock midnight of January 27, 1942:—

##### GROUP 3.—FIBRES, TEXTILES AND TEXTILE PRODUCTS

All fabrics composed wholly or in part of yarns of wool or of hair.

The latter item was added because of a rush of buying of woollen piece-goods for export and a consequent threat of shortage in Canadian stocks.

#### TARIFF CHANGES AND TRADE REGULATIONS

##### Ireland

##### SUSPENSION OF IMPORT QUOTAS ON COTTON PIECE-GOODS, HOSIERY AND WOVEN TISSUES OF WOOL, EXTENDED

E. L. McColl, Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire dated December 18, 1941, the cessation of the quota restrictions on imports into Eire of cotton piece-goods for bed-sheets, ticks or mattresses, and dungarees, piece-goods without pattern in colour for shirts or pyjamas, terry, cotton piece-goods with woven pattern in colour for shirts or

for a further six months' period commencing January 1, 1942. The import quotas were originally removed on these articles for the period July 24, 1941, to December 31, 1941.

By another Order of the Government of Eire, dated December 23, 1941, the cessation of the import quota restrictions on imports into Eire of hosiery (other than half-hose) made wholly or partly of silk or artificial silk, and on woven tissues of wool or worsted exceeding 3s. per square yard in value, has been further extended to March 31, 1942. The import quotas on these articles were originally removed for the period October 10, 1941, to December 31, 1941.

### **British Malaya**

#### **CONTROL OF RESTRICTED IMPORTS**

J. L. Mutter, Canadian Trade Commissioner at Singapore, writes under date November 21, 1941, that the Controller of Restricted Imports for the Straits Settlements has ruled that failure of suppliers to complete shipments, in the case of goods for which "authority-to-purchase" was approved prior to November 1, 1941, before the named expiry dates, will provisionally cancel the rights of admission into Malaya attaching to the goods so ordered.

If outstanding orders cannot be shipped within the time limit allowed by the "authorities-to-purchase" and correspondingly specified in the covering letters of credit, it is necessary that manufacturers and exporters refer them back to the Malayan buyers in order that new applications for "authority-to-purchase" may be submitted.

### **Netherlands East Indies**

#### **CERTIFICATE OF ORIGIN NOT REQUIRED**

With reference to the article in *Commercial Intelligence Journal* No. 1912, September 21, 1940 (page 428), the Consul General of the Netherlands in Montreal advises that imports into the Netherlands East Indies from Canada are no longer required to be accompanied by a certificate of origin.

### **EXCHANGE CONDITIONS IN PERU**

#### **W. G. STARK, ASSISTANT TRADE COMMISSIONER**

Lima, January 19, 1942.—The dollar rate of exchange for the Peruvian sol remained steady throughout 1941 at 6.485 soles per United States dollar for buying and 6.50 soles for selling. Taking into consideration the official rates between American and Canadian dollars, there are approximately 5.85 soles per one Canadian dollar or one Peruvian sol is equivalent roughly to 17.1 Canadian cents.

The situation as regards United States dollars was easy during most of the year, although they are a bit scarce at present. There is, however, no delay in liquidating payments and ordinary commercial transactions are being effected in a normal manner. The current slight scarcity in dollars is attributed by financial circles to the apparent reluctance of the Central Bank to release dollars to the commercial banks, rather than to any actual decline in the supply. Sterling has been difficult to obtain during most of 1941, although temporarily that situation is easier.

There is no official import or exchange control in operation in Peru; but through a semi-voluntary system Peruvian exporters, or banks acting on their behalf, hand over the resultant foreign exchange to the Central Reserve Bank. The latter in turn allocates its exchange to the various commercial banks in a rough proportion between their normal dealings and present requirements. The Central Reserve Bank has been supplying funds from surpluses previously taken off the market and Peru has not yet drawn on the \$10,000,000 credit granted by the United States Export-Import Bank in December, 1940.



In general the trade situation may be considered good, and commercial collections are being well met. It is recommended that Canadian exporters require terms of cash against documents for their shipments and a letter of credit if the firm is not known to them. Ordinarily the latter arrangement is only accepted by importers under special circumstances but, due to the difficulty of obtaining goods from any source, traders are now more willing to comply. There is still a considerable volume of business being done on short credit terms of 30 to 90 days, but these conditions are only advisable when the exporter has full confidence in the consignee's ability to pay.

When making quotations to Peruvian concerns, it is recommended that shippers in Canada quote in terms of United States dollars, since, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This avoids confusion between the official and unofficial rates for Canadian dollars in American funds, as well as assuring that prices are quoted in the medium of exchange that is most commonly used in this market. If quotations are made in Canadian dollars, a clear indication should be given of the exchange allowance granted to convert these offers into American funds.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 2, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Feb. 2, 1942, and for the week ending Monday, Jan. 26, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 26	Nominal Quotations in Montreal Week ending Feb. 2	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2282	.2282	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2620	.2620	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6327	.6327	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5823	.5823	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Straits Settlements . . . . .	Dollar	.5678	.5216	.5216	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
New Glasgow, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.

St. Mary's, Ont.  
Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Hardware for Attaché Cases.....	3780	Cape Town, South Africa..	Agency.
Toilet Soap.....	3785	Port of Spain, Trinidad....	Agency.
Plywoods and Veneers of All Kinds.....	3788	Mexico City, Mexico.....	Agency.
White Elk Belts for Men and Women.....	3790	Santa Monica, California..	Agency.
Shirts, Cheap Khaki Cotton.....	3791	Bridgetown, Barbados.....	Agency.
Underwear, Cheap Cotton.....	3792	Bridgetown, Barbados.....	Agency.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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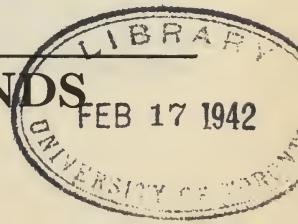
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L. D. WILGRESS, DEPUTY MINISTER

BUY NEW VICTORY BONDS



## BUSINESS CONDITIONS IN THE UNITED STATES IN 1941

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, January 30, 1942.—The declarations of war between the United States and the Axis powers have climaxed a year in which the influence of military activities on economic life has become steadily broader and more powerful. The past year has witnessed the nation's transition from peacetime economy to all-out war economy. The outstanding developments accompanying this change have been the inauguration of the Lend-Lease system to aid the enemies of the Axis, the proclamation of an unlimited emergency further broadening the powers of the Government in the business field, the "freezing" of foreign funds in the United States together with the blacklisting of certain foreign firms, the modification of the Neutrality Act to permit arming of merchant vessels and to allow them to sail into war zones, and the declarations of war which completed the transition.

These changes have been accompanied by many detailed steps to direct the nation's economic resources and energies into the proper channels. Priorities, allocations, price controls, export licences, shipping restrictions, direct limitations on output, together with many other devices, have been freely used, and on the whole have wrought such a thoroughgoing transformation in the economic life of the country that even the outbreak of total war promises merely an acceleration of the existing trend rather than a change in its direction.

The principal effects of these developments on business have been to force drastic re-adjustment. The change-over is one of tremendous magnitude and one that affects every branch of business, whether directly related to national defence or not. In some cases the shift has brought severe hardship, and throughout the business structure it has necessitated the temporary relinquishment of the freedom of initiative.

The net effect of the emergency on the economy of the United States has been stimulating rather than the reverse. Industrial production during 1941 surpassed all records, the Federal Reserve Board's index having risen from the 1935-39 average of 106 per cent and from 139 per cent a year ago to 168 per cent in December, 1941. Various other indicators, such as employment, payrolls, commodity prices, construction, bank clearings, car loadings and retail prices, all showed substantial increases over 1940. Farmers have enjoyed increased prosperity, despite the loss of many of their foreign markets, from increased domestic demand, the crop loan policy of the Government, and the purchase of agricultural products for shipments under Lend-Lease.

However, in the closing months of 1941 the advance of the general business level was much slower than it was during the early part of the year, reflecting declines in non-essential branches of industry and trade nearly sufficient to offset the continued rise in the output of defence materials, and it is anticipated that these unfavourable consequences of emergency needs will become considerably more severe in the early months of 1942.

### STEEL INDUSTRY

The steel industry in the United States in 1941 accomplished prodigious tasks and met the most exacting tests. The arrival of war found it stronger and more efficient than at any time in its history, with producers ready and able to meet all demands for materials and products required for defence.

The industry had two outstanding achievements during the past year. One was the production of record tonnages of both finished and unfinished steel products as well as raw materials. The other was the completion, with



the minimum of interference with emergency production, of a very substantial and essential program of increased output facilities.

#### PRODUCTION

According to the Iron and Steel Institute, the production of steel in 1941 established the high record of 82,927,557 tons, which was 25 per cent more than the previous record output of 66,981,662 tons in 1940, and about 65 per cent over the peak output of World War I, which was established in 1917 at 50,467,880 tons. The industry operated at an average of 97·4 per cent of capacity as compared with 82·1 per cent in 1940 and 90·8 per cent in 1917.

#### EXPANSION

The expansion activities by the steel industry during the past year added approximately 4,000,000 net tons of steel ingot capacity over the twelve months. The program was remarkable in that it anticipated the needs of the Government. While the steel companies had budgeted approximately \$300,000,000 for capital additions and betterments, they probably spent as much as \$400,000,000. Of the new steel-making capacity provided for in 1941, about 1,000,000 tons relate to electric furnace steels and special alloys.

#### PIG IRON

Production of pig iron in 1941 was close to 56,000,000 net tons, a new high mark and a gain of 18 per cent over the 1940 production of 47,398,529 net tons. Production was about 96·6 per cent of capacity as against 83 per cent in the previous year. On January 1, 1942, there were 216 furnaces in blast as against 202 in blast on January 1, 1941.

Blast-furnace capacity at the start of 1942 was about 59,416,000 net tons of pig iron annually, an increase of 1,800,000 tons in 1941, which followed an increase of 1,900,000 tons the year before. New blast-furnace facilities under construction, a substantial part of which should be completed in 1942, amount to some 5,250,000 net tons of additional annual capacity.

#### SCRAP IRON AND STEEL

The Institute of Scrap Iron and Steel reports that United States consumption of iron and steel scrap for 1941 was approximately 59,600,000 tons, a new all-time high, as compared with 46,600,000 tons in 1940. Inventories of scrap in the hands of the suppliers declined 1,841,000 tons to a total of 6,000,000 tons on hand at the close of the year.

The scrap supply is a major problem for the steel producers due to the fact that ceiling prices established by the Office of the Price Administration had taken the profit out of the business, removing the incentive to dealers and collectors to round up supplies. Moreover, domestic supplies were depleted by exports, some 21,000,000 tons having been shipped abroad in the years 1934 to 1940.

#### AIRCRAFT INDUSTRY

During 1941 the United States aircraft industry had its first real year of production in which it drove output records to an all-time high to meet defense needs. The size of the country's aeronautical defense effort is demonstrated by the fact that appropriations totalling about \$13,000,000,000 have been approved. The industry has a tremendous backlog of unfilled orders and is greatly increasing plant expansion so that in 1942 production should reach 50,000 planes.

## PRODUCTION AND ORDERS

Production in the aircraft industry for 1941 is estimated at \$1,500,000,000, or about three times the 1940 volume of \$544,000,000. The industry now employs about 425,000 persons against 193,000 workmen at the close of 1940, and it is likely the total will reach about 575,000 by the end of 1942.

Despite record deliveries, unfilled orders for more than \$6,500,000,000 were still on the books of the industry at the year end. Two years ago, shortly after the outbreak of the war, the backlog was only \$675,000,000.

During the past year the Federal Government has approved expenditures of more than \$13,000,000,000, of which \$4,000,000,000 has already been allocated for the construction of war planes for the United States Army alone. A large part of the 1941 United States plane production has gone to Great Britain and other allies. It is estimated that Britain is getting planes and equipment valued at about \$40,000,000 per month. During the first eight months of 1941 shipments to enemies of the Axis powers were valued at \$330,000,000. Most of these shipments represent work done on original contracts placed in this country before passage of the Lend-Lease measure. About 85 to 100 per cent of the British orders were made on agreements antedating Lend-Lease.

As a result of plant expansion, airplane engine production has kept pace with the output of airplanes. By January 1, 1941, engine production for military aircraft amounted to about 2,300,000 horse-power per month as against 500,000 per month in September, 1939, while to-day it is placed at approximately 6,500,000 horse-power per month.

## EXPANSION

Factory floor space devoted to the manufacture of planes, engines and propellers was increased by almost 90 per cent during 1941. As of January 1, 1941, a total of 25,456,421 square feet of space was being devoted to such work; now it has been expanded to about 47,000,000 square feet and the expansion is not yet completed. Additional facilities under construction or contemplated will raise the figure to approximately 55,000,000 square feet during 1942.

## AUTOMOBILE INDUSTRY

During 1941 the United States automobile industry enjoyed its second-best production year, only being exceeded in 1929. However, the close of the year marks the transition of this industry from a peacetime to a wartime basis. Automobile output has been drastically curtailed and arms production so sharply increased that henceforth war work is the number one job of this leading peacetime industry. While in 1941 the industry turned out about \$3,500,000,000 worth of cars and about \$850,000,000 worth of armaments, in 1942 this position will be reversed with armament production running in the billions of dollars and auto production dropping to its lowest levels since the industry "grew up."

With the production of automobiles coming to a dead stop about the end of January, a rationing program for the stock of about 650,000 cars will be adopted, probably along the general lines of the tire-rationing program. In the next few months it appears that there is going to be unemployment and privation for about 300,000 of the industry's normal 500,000 workers and the combined arms and auto output of the industry's 1,500 plants will be at a comparatively low level. However, by the middle of 1942 these workers will all be re-employed in the war converted industry.



## PRODUCTION

The Automobile Manufacturers Association places the 1941 production of cars and trucks at 4,820,000 units, the second highest level on record, as compared with 4,469,354 units in 1940, a gain of 8 per cent. The peak production in 1929 totalled 5,358,420 units. Production of passenger cars was estimated at 3,750,000 units and of trucks at 1,070,000 units for the past year. The wholesale value of these units amounted to \$3,600,000,000 as compared with the 1940 value of \$2,993,000,000. The exports of motor vehicles, including military vehicles, for 1941 totalled 245,000 units as against 229,423 units in 1940.

## WAR PROGRAM

The automobile industry is engaged in many types of war work and, according to the American Manufacturers Association, defense orders from September 1, 1939, to October 31, 1941, totalled \$4,272,676,000. This total includes contracts scheduled for delivery in 1943 as well as work already delivered. The manufacture of aircraft and parts constitute the principal proportion of the contracts, followed by military motor vehicles and parts, tanks and parts, and guns and ammunition.

## BUILDING AND CONSTRUCTION

The building and construction industry marked its eighth consecutive yearly gain in 1941. However, where in the past residential construction had been the chief support of the industry, it was surpassed in 1941 by non-residential construction, with manufacturing buildings and miscellaneous non-residential building making the largest gains. It was anticipated that the volume of building and construction contracts in 1942 would be about 32 per cent under the 1941 volume, but the entry of the United States into the war has somewhat changed this picture. The war-production program will now call for increased plant and warehouse facilities, as well as for an increase in defense housing. On the other hand, non-defense construction will be on a minimum basis.

The F. W. Dodge Corporation report for the 37 eastern states places the value of construction contracts for 1941 at \$6,007,474,000 as against \$4,003,000,000 in 1940, a gain of 53 per cent. The total value of the 1941 contracts was divided as follows: residential contracts, \$1,953,801,000, an increase of 22 per cent over the 1940 total of \$1,597,000,000; non-residential construction, \$2,315,000,000, an increase of 79 per cent over the previous year's total of \$1,294,000,000; public works and public utility contracts, \$1,738,002,000, a gain of 54 per cent over the 1940 total of \$1,112,000,000.

## NON-RESIDENTIAL BUILDING

Reflecting the requirements of the United States defense program in 1941, the volume of non-residential contracts made outstanding gains over the previous year. The largest increase was registered in manufacturing buildings, the value of which amounted to \$1,181,000,000, or 166 per cent over the 1940 figure of \$442,000,000. Miscellaneous non-residential building contracts increased from \$104,000,000 to \$250,000,000 in the past year, while commercial building contracts rose from \$318,000,000 to \$490,000,000. Smaller gains were recorded in contracts for hospitals, public buildings, religious buildings and social or recreation buildings, while educational buildings showed a small decline.

## RESIDENTIAL BUILDING

The year 1941 was the seventh consecutive year of increase in residential building volume. In this group one- and two-family house construction contracts were valued at \$1,625,000,000 as compared with \$1,155,000,000 in 1940, a gain of 41 per cent. The value of contracts for apartments and hotels declined 23 per cent from \$331,000,000 in 1940 to \$255,000,000, while the value of contracts for other shelter increased by 44 per cent from \$111,000,000 to \$160,000,000 in the past year.

## TEXTILE INDUSTRY

The textile industry, operating for about half of 1941 under some price control and constant threat of additional control, set new production records for the year. The industry contributed heavily to the defense program and will be called upon to contribute still more. Earning prospects for the industry are not considered to be good, due to uncertainties created by ceiling limitations and rising costs of raw materials, supplies and labour. While increases are anticipated for 1942 in production of cotton, woollens and worsteds, the production of rayon may reflect a decline, owing to shortage of chemicals and other raw materials.

Cotton textile production in 1941 was the largest ever recorded for any calendar year. The output was estimated at between 11,500,000,000 and 12,000,000,000 square yards as against 9,500,000,000 square yards in 1940. The industry operated at about 129 per cent of capacity as compared with 105 per cent in 1940. It is estimated that during the past year the Government bought about 30 per cent of the production of cotton goods for the armed forces and will probably purchase even a larger share of the 1942 output. Cotton farmers will be able to grow as much cotton as they can with the assurance that it will sell at a good price. The national carryover that once proved so burdensome has turned into a life-saver.

The woollen division of the textile industry, more than any other division, is influenced by the war program, because it provides the principal military textile. During the past year the Government accounted for 25 to 30 per cent of the total apparel-wool consumption in this country. Imports of apparel wool for 1941 totalled about 788,000,000 pounds, which included 175,000,000 pounds of Australian grease wool shipped here by the British Government to be bought and sold by the United States Government as a nucleus for a large apparel-wool reserve. Total stocks of foreign greasy shorn wool on hand in the United States were placed between 250,000,000 and 300,000,000 pounds. As a result of the large imports, total apparel-wool stocks in the United States are estimated at 1,006,000,000 pounds, the largest carryover since the early twenties.

During 1941 rayon mills increased their production of filament yarns by a little more than 15 per cent and the output of staple fibre by 50 per cent. The 1941 production of filament yarns and staple fibre amounted to 573,230,000 pounds or 22 per cent over the previous record production of 471,000,000 pounds established in 1940. Domestic consumption of rayon totalled 586,016,000 pounds, an increase of 20 per cent over the previous 1940 record of 388,729,000 pounds.

Although defense calls upon rayon have been relatively small, the embargo on Japanese silk created a large demand for rayon to use in hosiery and lingerie. Prices of finished rayon goods advanced sharply for most of the year, even after some basic greige goods were put under ceilings; but in the latter part of the year a drop in demand, together with threats of control, cut down inventory accumulation and reversed the price trend.



## NEWSPRINT

During 1941 the paper industry of Canada and the United States proved that North America could manufacture enough paper and paperboard to meet a record consumption. However, to meet the demand it was necessary to operate plants at close to total capacity of 18,000,000 tons of paper and paperboard, or more than 10 per cent above the 1940 output. Many of the Canadian mills with considerable idle capacity in newsprint turned to the production of paperboard from unbleached sulphite pulp. In the month of December it was announced that the price of newsprint paper to American publishers would be advanced \$3 per ton, effective April 1, 1942.

A recent report issued by the News Print Service Bureau indicates that production of newsprint paper in North America for 1941 totalled 4,785,577 tons, or slightly above the 4,783,383 tons produced in 1940. Canada supplied 3,425,865 tons or 71 per cent of the total amount, the United States 1,014,912 tons or 21 per cent, and Newfoundland 344,800 tons or 8 per cent.

The Canadian output of 3,425,865 tons for 1941 was 7,062 tons or 0.2 per cent above the output of 3,418,803 tons in 1940. The United States production of 1,014,912 tons was 1,475 tons or 0.1 per cent greater than the 1940 output of 1,013,437 tons. The output of Newfoundland amounted to 344,800 tons for the year, a decline of 6,343 tons or 1.8 per cent from the 1940 amount of 351,143 tons.

Shipments from United States and Canadian mills for 1941 totalled 4,475,446 tons. Mill stocks in the United States and Canada at the close of the year were 7,586 tons and 123,571 tons respectively, or a total of 131,157 tons (the lowest since December 31, 1937, when they stood at 59,240 tons) as compared with 165,826 tons at the close of 1940.

While there were no imports of newsprint paper from European countries during the past year, receipts for the first ten months of 1941 from Canada totalled 2,664,693 tons as compared with 2,702,749 tons in the like period of 1940.

## AGRICULTURAL SITUATION

During 1941 the farmers enjoyed increased prosperity, despite the cutting off of many of their foreign markets. The decline in ordinary exports of farm products was more than offset by the sharp expansion in domestic demand, reinforced by the crop loan policy of the Government and the purchase of agricultural commodities for shipment abroad under the Lend-Lease program. As a result, farm income has risen to the highest level in many years, and it is predicted that a further sharp gain will take place in 1942.

## FARM INCOME

Total farm income received from marketings and government payments are estimated at \$11,600,000,000 for 1941, the highest for any year since 1920, as compared with \$9,120,000,000 in 1940, an increase of 27 per cent. The gain for 1941 was principally due to increased income from farm marketings, as government payments for the year were below those of 1940.

The Bureau of Agricultural Economics estimated cash income from marketings, exclusive of government payments, at \$11,000,000,000 as compared with \$8,328,000,000 in 1940, a gain of 32 per cent. The greatest increase in income was from oil-bearing crops, particularly cottonseed and soybeans. Other major crops recording marked increases in income were wheat, rye, grain sorghums, cotton lint, apples, grapes and sugar cane. Income from fruit and nut crops also recorded sharp increases over 1940. Corn and potatoes were the only major crops for which income in 1941 was less than in 1940. All

the various items of live stock and live-stock products registered substantial increases in income for the year, with the greatest increase being in returns from hogs and eggs as a result of increases both in the volume of marketings and prices. .

Government payments for the year are estimated at \$600,000,000 or 22 per cent below the 1940 total of \$766,000,000.

#### WHEAT

A recent report of the Crops Reporting Board of the Department of Agriculture placed the 1941 production of all wheat at 945,937,000 bushels, the largest crop since 1919, as compared with 812,374,000 bushels in 1940, a gain of 16.5 per cent and 25 per cent in excess of the 1930-39 average of 747,507,000 bushels. Total acreage of all wheat harvested amounted to 55,831,000 acres, or 2,851,000 acres in excess of the 1940 total of 52,980,000 acres and almost equal to the 1930-39 average of 55,884,000 acres.

Winter wheat production is placed at 671,293,000 bushels as compared with 588,802,000 bushels in 1940, an increase of 13.7 per cent. The area of winter wheat harvested was reported at 39,547,000 acres or 11 per cent in excess of the 1940 harvested area of 35,789,000 acres. The increase in production of winter wheat was attributed both to the larger acreage planted and to the increased yield per acre. The 1941 yield was 17 bushels per acre as against 16.5 bushels per acre in 1940.

Production of all spring wheat in 1941 is estimated at 274,644,000 bushels, the largest since 1928, an increase of 22.8 per cent over the 1940 production of 223,572,000 bushels. However, the area harvested in the past year was only 16,284,000 acres as against 17,191,000 acres in 1940. Therefore, the increased production was due to the rise in the yield from 13 bushels per acre to 16.9 bushels per acre in 1941.

Durum wheat production in 1941 accounted for 41,800,000 bushels of all spring wheat production and exceeded the 1940 production of 33,749,000 bushels by 24 per cent. The area harvested in 1941 amounted to 2,546,000 acres as compared with 3,029,000 acres in the previous year, a decline of 20 per cent. On the other hand, the durum wheat yield increased from 11.1 bushels per acre to 16.4 bushels per acre in 1941.

Stocks of wheat on farms on January 1, 1942, were 373,820,000 bushels or 39.5 per cent of the 1941 production as compared with 280,840,000 bushels on January 1, 1941. This is the largest quantity of wheat in storage on farms of record on the January 1 date.

#### CORN

The production of corn for all purposes in 1941 is estimated at 2,672,541,000 bushels, the highest in nine years, as compared with 2,460,624,000 bushels in the previous year, an increase of 8.6 per cent. The total area in crop was 86,089,000 acres or 649,000 acres under the 1940 total of 86,738,000 acres. The average yield for 1941 was 31 bushels per acre as compared with 28.4 bushels in 1940; it has been exceeded in 75 years of record only by the 1906 yield of 31.7 bushels per acre.

Stocks of corn on farms on January 1, 1942, amounted to 2,012,138,000 bushels, the highest January 1 stocks in sixteen years of record, and were equal to 82.8 per cent of the 1941 production. The January 1, 1941, stocks totalled 1,837,512,000 bushels or 83.2 per cent of the 1940 crop.

#### COTTON

The cotton crop for the current year is placed at 10,976,000 bales as against 12,566,000 bales for the previous year, a decline of 12.6 per cent. The total



supply of cotton, i.e., "free" stock on August 1, 1941, plus new production, is placed at 16,612,000 bales as compared with the 1940-41 supply of 14,041,000 bales, a gain of 18 per cent. Domestic consumption of cotton for this season is placed at 11,250,000 bales as against 9,576,000 bales for the 1940-41 period, an increase of 17.7 per cent. The domestic carryover of "free" American cotton at the end of this season will be approximately 4,262,000 bales as compared with 5,636,000 bales at the beginning of the period, a decrease of 25 per cent.

### COMMODITY PRICES

During 1941 *The Journal of Commerce* general commodity index advanced nearly 19 per cent from 82.1 on December 28, 1940, to 97.6 on December 27, 1941, while the aggregate increase since mid-August, 1939, was about 33 per cent. There was a moderate increase from the beginning of the year until March 15; from then on the rise was persistent until the high was reached on December 13, following the outbreak of war in the Pacific. The index has since reacted moderately in reflection of administrative price-control policies.

The major influence in the rapid gain during the past year was the more active intervention in the World War by the United States, involving Lend-Lease aid for Britain and other anti-Axis countries, including shipments of large supplies of food to the United Kingdom. However, farm legislation providing 85 per cent parity loans was a prime factor in the extended advance made by the index from May to early October.

The following table, compiled by *The Journal of Commerce*, shows the commodity price level (1927-29 equals 100) at the end of 1941 as compared with the level at the close of 1940:—

	Dec. 27, 1941	Dec. 28, 1940
Grains . . . . .	92.3	68.2
Food . . . . .	93.8	68.7
Textiles . . . . .	99.6	75.4
Fuel . . . . .	96.9	84.8
Iron and steel . . . . .	105.2	105.2
Non-ferrous metals . . . . .	87.1	84.0
Building materials . . . . .	124.7	113.6
Paint and paint materials . . . . .	95.5	70.6
Chemicals . . . . .	81.5	77.5
Pulp and paper . . . . .	102.9	91.8
General index . . . . .	97.6	82.1

The outlook for 1942 is that the general trend of commodity prices is certain to be upward. However, government control will likely slow down the price increases of certain commodities and prevent rises in others. While the extent of price increases is likely to be uneven, declining prices will be very rare.

### EMPLOYMENT

The large industrial and military expansion under the United States defense program in 1941 absorbed most of the slack in the labour market, with the result that by the end of the year total employment had reached the highest level since 1930 and unemployment had dropped to its lowest level. It is estimated that the number unemployed was about equal to the number who would be normally out of work due to labour turnover, season fluctuations and other similar dislocations.

During the year there was a large number of serious labour disputes. According to the estimates of the United States Bureau of Labor Statistics, there were approximately 4,048 strikes in 1941, involving 2,376,000 workers and a loss of approximately 22,482,000 man-days. The comparative figures for 1940 were 2,508 strikes, involving 577,000 workers and a loss of 6,701,000 man-days.

At the close of November, 1941, it was estimated that over 52,000,000 persons were employed, while unemployment was about 2,800,000 persons. The comparable figures at the close of November, 1940, were 47,200,000 and 7,300,000, respectively. However, if allowances are made for those engaged in the military forces, employment is placed at 50,100,000 as against 46,400,000 at the end of November, 1940. In November it was noted that employment in the manufacturing industries declined by about 100,000 from October, due to curtailment of civilian production under priority rulings. Employment in the agricultural industry in November fell off about 1,000,000 as farm operations were seasonally curtailed.

### FINANCIAL SITUATION

During the past year the drastic re-adjustments necessitated by the emergency have brought about marked changes, but have occasioned no serious disturbance. Many foreign currencies have virtually disappeared from the exchange market, while transactions in others have been subject to government control. The flow of gold to the United States has been the smallest in many years. Thus the principal factor contributing to the increase in bank reserves in the past few years has been eliminated. At the same time the amount of currency in circulation has greatly expanded and during the past year has more than doubled the growth of gold stocks, with the result that bank reserves are considerably smaller than a year ago.

Both loans and investments of the banks as well as bank deposits increased sharply during 1941. On the other hand the rising demand for short-term business credit found only a faint reflection in new corporate securities. While new financing was slightly below that of 1940, the bulk of the issues were mainly for refunding operations.

### BANK RESERVES, DEPOSITS AND LOANS

The outstanding features in the banking situation of the country for 1941 were the decrease in excess bank reserves, resulting primarily from the declines in gold receipts and the increase in money circulation, heavy investment by the banks in government securities, and an increase in bank loans and bank deposits.

The excess reserves of the member banks of the Federal Reserve System at the end of December were placed at \$3,100,000,000, a three-year low, as compared with \$6,600,000,000 at the close of 1940. Demand deposits of the member banks rose from \$22,299,000,000 at the beginning of the year to \$23,650,000,000 at the close of the year.

Loans and investments of the principal member banks at the end of December, 1941, amounted to \$30,085,000,000 as compared with \$25,527,000,000 a year ago, an increase of \$4,558,000,000. Total investments for 1941 amounted to \$18,715,000,000, of which \$16,137,000,000 is accounted for by government investment. Bank loans at the close of the year totalled \$11,370,000,000 as against \$9,390,000,000 at the end of 1940, an increase of \$1,980,000,000.

### NEW FINANCING

The volume of new financing for 1941 compared favourably throughout the year with that of 1940, except for the month of December, when there was a decided setback. The decrease in the 1941 financing was primarily due to the falling-off of new utility issues.

Security financing for the past year totalled \$2,580,798,535 as against \$2,943,859,803 in 1940. Of the total securities offered, \$1,340,831,397 was for



refunding purposes as compared with \$1,647,414,608 for refunding in 1940, and the remainder, \$1,239,967,138, was for new capital. State and municipal financing accounted for 32.5 per cent of the total, while new capital for financial purposes accounted for 29 per cent. Railroad and industrial financing accounted, respectively, for 17 and 16 per cent of the total. Of the new financing, bond issues amounted to \$2,260,879,654, while stock issues totalled \$315,918,881. The corresponding figures for 1940 were \$2,619,931,216 and \$323,928,587.

Of the total volume of securities issued during 1941, state and municipal issues took the leadership with a total of \$864,154,385, although this figure was below the comparable 1940 total of \$992,500,216. Public utility issues declined to \$583,844,976 from \$816,033,648 in the previous year. Industrial offerings of stocks and bonds amounted to \$542,955,369 as against \$720,157,774 in 1940, and railroad offerings dropped to \$283,526,000 from \$305,324,500 in 1940. On the other hand, stocks and bonds for financial purposes totalled \$283,342,000 in 1941 as compared with \$97,456,665 in the previous year. Foreign bonds to the value of \$4,000,000 were issued as compared with none the year before.

#### GOLD MOVEMENTS

The year 1941 witnessed the end of exceptionally large movements of gold to the United States, which had been in progress since the Munich crisis of 1938. The blockade of Europe, depletion of British Empire gold reserves, and the Pacific crisis were all factors leading to the end of the extraordinary gold movement. Towards the second half of 1941 the flow of gold to the United States from foreign countries was largely limited to the current gold production of those countries. It is anticipated that the imports will remain at about these levels.

United States imports of gold for the January-October period of 1941 totalled \$879,163,000 as compared with \$4,282,176,000 in the corresponding period of 1940, a decrease of \$3,733,126,000. Imports for the period from Canada amounted to \$366,793,000 as compared with \$2,279,390,000 in the 1940 period, a decline of \$1,912,597,000, which was attributed to the decline in exports of British gold held in Canada. The Union of South Africa, the other principal shipper for the January-October period, exported \$292,663,000 to the United States as compared with \$176,766,000 in the similar period of 1940, a gain of \$115,897,000. Gold exports for the first ten months of 1941 totalled \$55,000 as compared with \$4,986,000 in the corresponding period of 1940.

United States gold stocks at the end of November, 1941, were placed at \$22,785,000,000 as against \$21,801,000,000 at the close of November, 1940, an increase of \$984,000,000.

#### FOREIGN TRADE

Despite the many difficulties of trading under wartime conditions, such as shortages of cargo space, priorities, freezing of foreign funds and the loss of foreign markets, the foreign trade of the United States recorded a new high level for recent years in 1941. Exports reflected the heavy movement of armaments and materials under Lend-Lease to Great Britain and other friendly nations; while imports, which rose at a greater rate than exports, reflected the heavy purchases of strategic and essential raw materials and of foreign foodstuffs brought into this country to add to the reserve stockpiles or to bolster the economies of friendly nations.

In a recent report concerning the shipment of Lend-Lease materials and foods to the Allies, it was indicated that the flow had been stepped up from \$18,000,000 in March to \$238,000,000 in November. At the end of November, 1941, it was reported that the value of exports of Lend-Lease items totalled \$595,000,000. The difference between this figure and the total value of articles

transferred under Lend-Lease is principally due to the fact that the amount of transfers under ships category is not included in the export figure, that certain goods are transferred to Lend-Lease countries for use in the United States, and the fact that it is necessary to maintain some inventory of stocks of finished articles at the various warehouses at the points of export so that there will be plenty of material ready to be loaded as shipping space becomes available.

According to the reports of the Department of Commerce, United States exports, including re-exports, for the first eleven months of 1941 amounted to \$4,492,000,000, the highest figure in eleven years and 21 per cent over the total of \$3,703,099,000 for the corresponding period of 1940. The increase was attributed to an expansion in the volume of exports as well as to a rise in the commodity prices. The quantity of exports reached the highest level since the first World War and it was 13 per cent greater than the corresponding volume for 1940.

The value of general imports for the January-November period of 1941 amounted to \$3,002,000,000, or 27 per cent over the value of \$2,372,000,000 in the like period of 1940. The import volume was about 20 per cent greater than that for the first eleven months of 1940. Imports of crude materials made the largest gain, while those of manufactured articles and of competitive farm products were down.

The excess of exports over imports for the eleven months of 1941 amounted to \$1,490,000,000, the highest on record, as compared with \$1,331,117,000 in the corresponding period of 1940.

### RAILWAY SITUATION

The outstanding achievement of the railway industry in 1941 was the handling without congestion of the large movement of freight and passenger traffic. During the years when the volume of rail business was at a low ebb, the shortage was made up by improvement in better equipment and better use of equipment. In December, 1939, passenger traffic started to increase and it has been gaining ever since, due to the growing movement of troops, travel for business purposes in connection with defense production and the public's larger income allowing more pleasure travel. With nearly 600,000 fewer cars than were available in 1929, the railways in 1941 handled a large freight volume as a result of improved equipment and operating facilities. While the financial position of the railroads improved somewhat during the past year, it is doubtful if it will continue to do so in the coming year because of increased operating expenses resulting from the recent wage increase to certain employees and increased taxes.

The Association of American Railroads places net operating income for Class I railroads for 1941 at \$980,000,000 and net income after charges at \$485,000,000, as compared with a net operating income of \$682,000,000 and a net income of \$189,000,000 in 1940. The earnings for 1941 were placed at 3.72 per cent on property investment as compared with 2.49 per cent in 1940.

### CAR LOADINGS

The Association of American Railroads reports that total revenue freight car loadings during 1941 were 42,284,927 cars as against 36,357,854 cars in 1940, a gain of 16.3 per cent. Gains were recorded over 1940 for all groups with the exception of live stock.



Total shipments of commodities in 1941 and 1940 were as follows:—

	1941 Cars	1940 Cars	Inc. or Dec. Per Cent
Miscellaneous freight . . . . .	18,435,786	14,842,202	24.3
Merchandise, l.c.l. . . . .	8,041,367	7,679,389	4.6
Coal . . . . .	7,590,002	6,819,614	11.4
Forest products . . . . .	2,184,987	1,799,650	21.1
Ore . . . . .	2,682,242	2,148,428	25.2
Coke . . . . .	677,634	548,686	23.4
Grain . . . . .	2,022,419	1,834,593	10.3
Live stock . . . . .	650,490	685,282	— 5.1
Total . . . . .	42,284,927	36,357,854	16.3

#### BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States in 1941 totalled \$373,428,167,431, a gain of 19.8 per cent over the 1940 amount of \$311,635,682,532.

The clearings in New York City for 1941 aggregated \$183,263,229,389, an increase of 13.9 per cent over the 1940 total of \$160,878,038,409. Cheque clearings for the country outside of New York City were \$190,164,938,042 in 1941 as compared with \$150,757,644,123 in the previous year, a gain of 26.4 per cent.

Cheque clearings for the whole of the country and for New York City from 1937 to 1941 are as follows:—

	Total	New York City
1937 . . . . .	\$333,257,707,239	\$186,739,777,521
1938 . . . . .	293,254,325,108	165,155,897,296
1939 . . . . .	304,323,157,503	165,913,543,429
1940 . . . . .	311,635,682,532	160,878,038,409
1941 . . . . .	373,428,167,431	183,263,229,389

#### OUTLOOK FOR 1942

The current year will see the United States unfold the most gigantic wartime effort in history, with finance, industry and labour, realizing that the outcome of the struggle may mean their future existence, swinging into production schedules never before imagined. The full effect of this war effort will become more pronounced as the year progresses, and estimates of a 1941 record national income of \$95,000,000,000 has brought forth plans to prevent this wealth from causing widespread inflation.

If the outlook for 1942 was entirely a question of demand there would be no uncertainty, for the call upon the industry in the aggregate is limitless. However, the volume of arms production will be governed not only by will and intent, but by ability to organize and co-ordinate the effort, to train labour and to obtain materials.

Business observers generally agree that under the war program the aggregate industrial activity of the United States in 1942 will be substantially greater than in 1941.

The prevailing sentiment among manufacturers and distributors of consumers' goods is one of hesitation. It is becoming difficult to buy ahead in many lines, as few producers are in a position to take commitments. Many manufacturers do not know where they stand, and before long many of them will be producing war materials rather than consumers' goods. There will be a definite decline in the production of consumers' goods during 1942.

While rationing had already been introduced for many commodities before the close of 1941, there is no doubt that it will be extended to a large number of critical materials and commodities in the early part of 1942. The rubber industry, automobile industry and the sugar industry are already feeling the effects of rationing.

Control of prices will be a major problem of war economics in the coming year. Before the close of 1941 wholesale prices had risen about 18 per cent over the previous year and the Government found it necessary to place price ceilings on certain commodities. Such measures will be greatly extended during 1942, as the Government is considering plans to apply price control to all commodities.

With indicators pointing to a record national income for 1942 and with the large war budget to be financed, the nation will have to prepare to make large loans to the Government and at the same time meet increased taxes during the coming year. Both loans and increased taxes will help to prevent inflation.

## TIMBER AND PLYWOOD SUPPLIES FOR THE UNITED KINGDOM FURNITURE TRADE

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Bristol, January 8, 1942.—With reference to the report on the "Manufacture of Furniture in the United Kingdom" (see *Commercial Intelligence Journal* No. 1980, page 26), the Timber Control has notified the Timber Supplies Committee for the Furniture Trade that the value of the unit must be reduced by  $33\frac{1}{3}$  per cent as from January 1 and until further notice. [Brief notice of this reduction, as advised by cable from Mr. Cormack, appeared in *Commercial Intelligence Journal* No. 1981, page 52.]

The value of the unit for various types of timber and plywood under this order of the Timber Control are as follows: imported hardwood, 1 cubic foot; 4 millimetre plywood, 25 square feet; furniture dimension stock in imported hardwood (other than beech),  $1\frac{1}{3}$  cubic foot; imported beech furniture dimension stock, 2 cubic feet; imported exotic or fancy hardwoods,  $1\frac{1}{2}$  cubic foot; home-grown converted hardwood,  $1\frac{1}{2}$  cubic foot; home-grown hardwood in the round, 12 inches and up quarter girth, 2 cubic feet, and under 12 inches quarter girth,  $2\frac{3}{4}$  cubic feet; home-grown hardwood slabs and off-cuts, 10s. worth; hardwood damaged by enemy action, 1 cubic foot "usable measure"; plywood damaged by enemy action, 25 square feet "usable measure."

## AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, November 28, 1941.—The production forecast of 166,100,000\* bushels of wheat for the season 1941-42 is equal only to the average production for the previous decennium, but it compares with 82,654,000 bushels for the season 1940-41. The estimated area sown for grain in 1941 was 12,656,000 acres, indicating an increase of 200,000 acres or 1.6 per cent on that sown in 1940-41 but 943,000 acres or 7 per cent below the average for the previous ten years.

In expectation of an increase in the wheat stocks to be held in Australia, the Australian Wheat Board has planned to store new wheat at intermediate depots between country and ports. These depots are to be five miles away from those containing old season's wheat, in order to minimize the danger of infestation by weevils and other vermin. The Board estimates that storage charges for one year will be  $1\frac{3}{4}$ d. per bushel and  $1\frac{1}{4}$ d. per bushel for bagged and bulk wheat respectively. For two years the respective charges would be about  $2\frac{1}{4}$ d. and  $1\frac{3}{4}$ d. per bushel.

\* In a cable on January 16 Mr. Palmer gave the later estimate of 160,542,000 bushels.



## WHEAT PRICES

Approximate export prices f.o.r. ports during the months of July, August, September and October in the years 1935 to 1941 were as follows:—

	July	August	September	October
		Figures in Pence		
1935 .. . . .	34.42	36.81	40.30	43.51
1936 .. . . .	46.63	55.22	55.64	58.44
1937 .. . . .	65.21	61.14	60.47	61.06
1938 .. . . .	42.02	36.92	32.72	33.58
1939 .. . . .	26.15	24.98	29.93	32.00
1940 .. . . .	48.00	47.25	47.25	47.75
1941 .. . . .	50.00	50.00	50.00	50.00

## FLOUR

Owing to a shortage of wheat in Victoria due to drought conditions, the price of flour milled for domestic consumption was somewhat higher in Victoria during the past season than in other states. At this date the price of flour for delivery in Melbourne and suburbs is £A12 17s. 6d. per ton of 2,000 pounds. In Perth, Western Australia, the price is £A12 16s. 6d. per ton, while in Sydney the ruling price is £A12 13s. (The above prices include £A2 8s. 10d. per ton for tax levied on all flour milled in Australia for domestic consumption.)

## TIMBER AND PLYWOOD SUPPLIES FOR THE UNITED KINGDOM COLOMBIA, VENEZUELA AND THE NETHERLANDS WEST INDIES

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama, January 9, 1942.—The territory coming under the jurisdiction of this office, namely Nicaragua, Costa Rica, Panama, Colombia, Venezuela and the Netherlands West Indies, offers export outlets for the sale of Canadian fish of practically all types except fresh frozen, but the principal demand is for canned salmon and sardines and dry salted codfish.

Nicaragua, Cost Rica and Panama each have a small local fishing industry, but so far as imports of fish are concerned these local industries are of very little importance. What fish is caught finds a ready sale as fresh fish, the quantity available is limited, and therefore it has little effect on the quantities imported.

The fishing industry of Colombia does affect the imports of dry salted fish, however. To a lesser degree so does that of Venezuela.

The extent of each market is limited, due to the comparatively low purchasing power of the greater part of the population. This in turn means that the existing demand is not for the high-priced, high-quality product but rather for a good quality food product at a cheap price.

The big demand throughout these countries for imported fish is during Lent, when sales are at least three times what they are during any other period of the year. Orders placed for delivery prior to Lent will be greatly in excess of those placed for delivery at other times during the year. Exporters should be very careful to see that such orders are promptly attended to, otherwise a most unfavourable reaction is bound to occur and some difficulty may be experienced in having late shipments accepted.

## Nicaragua

Nicaraguan statistics do not list separately the various types of fish imported. All are entered under one heading: "fish, sea food, etc., smoked, preserved or salted." Under this classification imports for 1938 amounted to \$8,287 and

for 1939 to \$15,748. These are the latest figures available. This market is obviously relatively small and it is difficult for Canadian exporters to cater to, even if they were so inclined, as transportation facilities are limited.

#### CODFISH

The demand for codfish in Nicaragua is similar to that of Panama. What is wanted is a well-cured fish of medium size. The head should be removed but the fins, bones and tail left intact. The usual packing is in butts weighing 300 pounds, although some codfish is imported in 200-pound butts.

#### CANNED FISH

The California-type sardine, packed in tomato sauce and in an oval tin, is favoured over the smaller size usually packed in Eastern Canada, but there is a demand for the latter as well. Canned salmon finds some sale when the price is low.

#### Costa Rica

##### CODFISH

Before the war began Costa Rica favoured Norwegian codfish, but when supplies were cut off new sources of supply were sought in the United States and Canada. Fillets are preferred in Costa Rica although some codfish is sold with head removed but with the fins, tail and bones left intact. The type most in demand, however, is boneless codfish, packed in 1-pound packages, paper wrapped, 20 pounds to a case.

Costa Rica has also provided a market for boneless canned codfish, principally from Norway. This is packed in tins of 5 and 10 kilos gross weight, in cartons of 4 tins of 10 kilos each and 8 tins of 5 kilos each. It should not contain more than 40 per cent moisture and, as duty is paid on gross weight, the packing of this or any other type of fish should be as light as possible. This question of packing applies to all the countries covered by this report.

Imports of codfish into Costa Rica during 1939 amounted to 228,128 kilos valued at \$29,743 and in 1940 to 198,326 kilos valued at \$32,695. In 1939 Norway and Canada were the principal suppliers, exporting 58,429 kilos valued at \$9,565 and 80,399 kilos valued at \$9,313 respectively. The United Kingdom in the same year supplied 75 082 kilos valued at \$8,107. In 1940 Norway supplied 64,574 kilos valued at \$14,641, followed by Canada with 75,419 kilos valued at \$11,037. The United States, which in 1939 only supplied 3,221 kilos valued at \$526, in 1940 exported to Costa Rica 21,265 kilos valued at \$3,481 and the United Kingdom supplied 36,252 kilos valued at \$3,431.

For the first three months in 1941 Canada and the United States were the only suppliers of codfish to Costa Rica. Canada supplied 49,819 kilos valued at \$8,094 and the United States 30,855 kilos valued at \$7,408.

##### OTHER FISH

During 1939 Costa Rica imported 399,153 kilos of preserved fish, all types except codfish, valued at \$63,346, which indicates a fair demand. While the statistics do not separate the imports into groups, sardines would probably head the list, followed by canned salmon. For these two products Canadian suppliers are well introduced in this market; but there are still other opportunities, especially for so-called California-type sardines packed in tomato sauce and in oval tins. As in other markets in this territory canned lobster is a luxury article on account of its comparatively high price; consequently the demand is limited.



## Panama

### CODFISH

The Republic of Panama provides a steady market for codfish. As in other countries, during Lent the consumption is much higher than at other seasons but there is not the same fall in consumption after Lent.

In 1939 Panama imported 539,233 kilos of dry salted codfish valued at \$63,680. Of these imports the United States supplied 398,634 kilos valued at \$49,479, Canada was second with 73,988 kilos valued at \$7,488, followed by the United Kingdom with 62,675 kilos valued at \$6,192.

In 1940 these three countries maintained the same relative positions, the United States supplying 344,130 kilos at \$52,369; Canada 97,393 kilos valued at \$12,404, and the United Kingdom 31,990 kilos valued at \$3,926. The total imports amounted to 473,713 kilos valued at \$68,699.

### OTHER FISH

In the first six months of 1941 the Republic of Panama imported 131,236 kilos of sardines valued at \$23,080, according to statistics just issued, but figures are not available for other classes of fish. It is estimated that the sale of sardines would be about three times that of salmon. Canadian brands are well established on this market for both salmon and sardines; but with former suppliers cut off, Canadian exporters could have obtained increased sales this year if they had been in a position to take advantage of the business offering.

## Colombia

The imports of codfish into Colombia are not published separately but it is not expected that they would be large. The fishing industry is fairly well developed and locally caught fish are dried and salted. In addition, the industry is well protected by a high tariff.

There is a good market, however, for "fish preserved in oil or sauce", such as sardines, herrings and canned salmon. In 1940 Colombia imported under the above heading 831,392 kilos valued at 307,493 pesos (one peso equals 63 cents), of which the United States supplied 655,970 kilos valued at 217,219 pesos, Canada 80,820 kilos valued at 30,907 pesos, Portugal 29,203 kilos valued at 15,439 pesos, and France 25,070 kilos valued at 11,653 pesos.

While some Canadian exporters have found it possible to cater to this market there are opportunities for further development of export sales in canned fish products.

## Netherlands West Indies

Although the Netherlands West Indies is a relatively small market from the point of view of population, it does offer sizeable opportunities for the sale of fish. The latest figures available are for 1939, when the island of Curacao imported 523,977 kilos of "preserved" fish valued at 158,140 florins (187 florins equals U.S.\$100.) Imports of "salted or dried" fish amounted to 210,160 kilos valued at 66,865 florins, while "fresh and frozen" fish amounting to 10,420 kilos valued at 5,923 florins were also imported.

The island of Aruba is smaller than Curacao but it also offers a steady market. In 1939 imports of "preserved" fish amounted to 145,495 kilos valued at 64,167 florins and imports of "salted or dried" fish totalled 103,532 kilos valued at 34,837 florins. Imports of "fresh and frozen" fish were approximately the same as for Curacao, namely, 10,038 kilos valued at 6,001 florins.

Taken together, the Netherlands West Indies imported in 1939 a total of 20,458 kilos of "fresh and frozen" fish valued at 11,924 florins. Canada is not credited with supplying any in this category. Imports of "preserved" fish

amounted to 669,372 kilos valued at 212,307 florins, of which Canada supplied 110,044 kilos valued at 33,459 florins. Imports of "salted or dried" fish amounted to 313,692 kilos valued at 101,702 florins, Canadian supplies of this item amounting to 7,059 kilos valued at 2,260 florins, all of which was shipped to Curacao.

While Canadian exporters did not obtain any large share of the business offering, it is therefore clear that possibilities exist for development of increased trade in fish with the Netherlands West Indies.

### Venezuela

Like Colombia, Venezuela offers possibilities for Canadian fish exporters, particularly of canned fish.

#### CANNED FISH

Sardines is the principal type of fish imported into Venezuela. The latest figures available are for 1939. During that year Venezuela imported a total of 4,374,811 kilos valued at 2,139,645 bolivares (3.19 bolivares equals U.S.\$1.00). Of this total, the United States supplied 3,141,025 kilos valued at 1,298,151 bolivares, while Canada supplied only 23,638 kilos valued at 13,539 bolivares.

Salmon follows sardines in importance among fish imports. In 1939 imports of salmon totalled 90,111 kilos valued at 64,601 bolivares, the United States supplying 59,704 kilos valued at 52,202 bolivares and Canada 24,072 kilos valued at 9,295 bolivares.

In the same year 12,467 kilos of herrings in oil or tomato sauce valued at 7,572 bolivares were imported. Of these imports 3,318 kilos valued at 2,937 bolivares were from the United States, 2,054 kilos valued at 1,542 bolivares from Holland, and 750 kilos valued at 801 bolivares from the United Kingdom. Germany, Italy, Norway and France supplied the remainder.

#### CODFISH

Although it has a fair-sized local fishing industry Venezuela does offer an outlet for Canadian dry salted codfish. However, as the imports indicate, there is practically no direct shipment from Canada, although undoubtedly much of that credited to the United States is of Canadian origin.

In 1939, according to Venezuelan statistics, 133,567 kilos of codfish valued at 82,145 bolivares were imported. The United States supplied 51,052 kilos valued at 31,868 bolivares, Holland 48,030 kilos valued at 36,680 bolivares, and Canada 533 kilos valued at 252 bolivares. This indicates that there is plenty of opportunity for future development of codfish sales in Venezuela by Canadian exporters.

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#### SUMMARY

It will be observed from the foregoing that, although individually the above countries do not offer large markets for imported fish, collectively they have definite possibilities for Canadian exporters, as and when the latter have supplies of fish available. The Canadian Trade Commissioner in Panama is in a position to recommend manufacturers' agents throughout the entire territory who are interested in obtaining sources of supply in Canada and who are reliable and well connected with the trade. The present situation in Canada is well understood, but should any exporter be in a position to cater to this territory he is invited to so advise this office.

As shipments from Eastern Canada to this area must be made through the port of New York, in order to be able to meet existing competition, it would be well to consider the whole territory as one unit. In this way it would be possible to arrange carload shipments to New York and thus effect a considerable saving in freight, which might just make the difference between meeting price competition and not being able to do so.



## IMPORTS OF SUNDRY GOODS INTO GUATEMALA

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One metric ton equals 2,204 pounds; one kilogram equals 2.2 pounds)

### CHEMICALS

Mexico City, January 19, 1942.—The production of chemicals and related products in Guatemala is still limited. The small local manufacture of pharmaceutical preparations is confined chiefly to a few standard remedies. Imports, owing to the lack of industrial development, are also small. For example, only 11,972 kilos of copper sulphate for industrial purposes were imported in 1940. There was a fairly good importation of some 7,000 kilos of potassium chlorate, chiefly from Germany. The United States shipped 55,939 kilos of bicarbonate of sodium, also 232,379 kilos of caustic soda, 24,536 kilos of sodium silicate for industrial purposes, 213,065 kilos of hydrochloric (muriatic) acid, and 714,901 kilos of paraffin. These were the leading imports of chemicals.

While imports of combined alcohols and derivatives were heavy in 1939, this trade totalled only 122 metric tons in 1940. Imports of alcohol are limited to small amounts of absolute alcohol and methanol for use as denaturants. Local distilleries almost entirely supply the domestic alcohol demand. Hydrochloric acid is chiefly used in Guatemala in insecticides for washing the banana stems that have been dusted in the campaign against leaf disease. Sugar mills use small quantities of hydrochloric acid, but the United Fruit Company is by far the largest consumer.

Imported coal-tar dyes have recently been greatly increased through the activities of a local firm that has been importing grey goods for dyeing and finishing locally. The Indian weavers also use coal-tar dyes very largely instead of the natural dyes of their forefathers. Some German coal-tar dyes were imported during 1940, chiefly reshipments through other countries. The United States has gradually taken over this business.

### DRUGS AND MEDICINES

As in all Central American countries, there is a large market in Guatemala for all kinds of drugs, patent medicines, and other pharmaceutical products. The outlets for this type of business resemble the Indian bazaars in the East, and the market is worth investigating, provided the exporter is prepared to undertake the necessary expenses of registration, introduction and advertisement of his products. The bulk of the prepared medicines and a large number of proprietary medicines were supplied by Germany before the outbreak of war. France also supplied a fair amount of the better-quality pharmaceutical products. The bulk of the cod liver oil came from Norway, and importers are showing a keen interest in Canada as an alternative source of supply. The quantity of cod liver oil of non-medicinal quality imported from Norway in 1940 was 10,933 kilos.

All Indo-American nations favour the use of injections. The bulk of these now comes from the United States, as supplies from Germany and France are being exhausted. Mexico is endeavouring to do some business in ampoules, with more or less success, but, as the tubing used in Mexico has to be imported, this is in reality only a finishing trade that is dependent on foreign supplies of tubes. Medicinal drops in the form of proprietary medicines were chiefly imported from France; now the United States and Mexico are supplying this market. The German trade was chiefly in tablets, granules, comprimés, globules, pastilles, pills, etc. The United States is the principal supplier at present, followed by Mexico. There should be an opportunity for Canada in these

lines. Many countries make small shipments of these products, even South American countries. Effervescent salts and fruit salts are chiefly supplied by the United States, followed by the United Kingdom. There is a good import trade in ampoules containing salts or liquids for hypodermic or intravenous injections, also for ampoules of arsenobenzols, arsenophenol, compounds of mercury, etc. The United States is the principal supplier, and was closely followed by Germany in the past. The United States does a small trade in better-class poultices, medicinal plasters and pomades. The United States also monopolizes the trade in medicinal ointments.

#### GLASS, CHINA AND EARTHENWARE

Practically the whole of the Guatemalan requirements in glass, china and earthenware are imported, the bulk coming from the United States. Ampoules and other medical glassware are also chiefly supplied by the United States and Brazil.

The breweries order beer bottles in lots of 500 to 2,000 gross at a time. Germany and Czechoslovakia formerly supplied these bottles, but they are now obtained from the United States. As these bottles bear special lettering, special moulds are required for their manufacture. There is a shortage of wine glasses, tumblers, etc., which were formerly supplied by Belgium. Cessation of these supplies and decreasing stocks on hand are causing agents to turn to other sources of supply for glassware.

The natives manufacture a considerable amount of coarse earthenware pottery for their own needs, and Japan has been supplying a large quantity of low-grade porcelain, cooking utensils and tableware. The United States has now a practical monopoly of the better-class trade. The same applies to sanitary articles, which are now nearly all imported from the United States.

Prior to Japan's entry into the war, Japanese white bathroom tiles were sold on the Guatemalan market for an average of \$3.25 (United States funds) per 100, c.i.f. port of San José. Even after having to pay a 90 per cent customs surcharge, Japan was beginning to make serious inroads into the United States' predominant trade in tiles. Supplies of German tiles have now ceased. At present Guatemala is dependent for all types of porcelainware on the United States.

The native supply of earthenware, with additional quantities from El Salvador and Mexico, is sufficient for this trade.

#### LEATHER AND FURS

Canadian leather is well known and liked in Guatemala. This business is of recent date. While the local tanneries can supply the bulk of the sole leather, upper leathers have to be imported. The quantities, of course, are relatively small. In 1940 about 5,000 kilos of patent leather were imported and just over 400 kilos of chamois dressed leather. Of tanned leather n.o.p., dressed or not, some 35,000 kilos were imported, practically all from the United States. It should be possible for Canada to obtain far more of the leather trade in the future. Some of the leather credited to the United States is undoubtedly of Canadian origin, as certain Canadian firms sell to these countries through New York export houses. Canadian manufacturers would do better if they handled the business direct through a local agent.

Export houses in the United States handle the bulk of the trade in Canadian furs. The volume of business, however, is small. During 1940 only about 80 kilos of fur coats and a few pelts were imported from the United States, the weight not exceeding 110 kilos. There is no market in Guatemala for expensive furs.



## PAPER

Imports of paper into Guatemala are on a small scale. On the other hand, the demand is steady and regular. It would seem that this field offers a good scope for export houses rather than manufacturers, on account of the variety of types and the smallness of the orders.

The principal imports of paper into Guatemala in 1940 were as follows:—

*Principal Imports of Paper into Guatemala, 1940*

	Kilos
White paper, neither sized nor glazed, containing 70 per cent or more mechanical wood-pulp, in sheets or rolls . . . . .	
Germany . . . . .	21,721
Canada . . . . .	440,846
United States . . . . .	220,289
Finland . . . . .	2,268
Norway . . . . .	253,479
Sweden . . . . .	91,003
Newfoundland . . . . .	75,186
Total . . . . .	1,104,792
Paper containing 70 per cent or more mechanical wood-pulp, sized or glazed, in sheets, neither ruled nor printed upon, measuring 43 centimetres or more on the smaller side	
Germany . . . . .	10,393
United States . . . . .	12,511
Norway . . . . .	11,071
Sweden . . . . .	1,344
Total . . . . .	35,319
As above, measuring less than 43 centimetres on the smaller side . . . . .	
United States . . . . .	8,788
Paper containing more than 30 per cent chemical wood-pulp, cotton-pulp, pulp of other fibres or straw-pulp, in sheets neither ruled nor printed upon, measuring 43 centimetres or more on the smaller side . . . . .	
Germany . . . . .	10,660
Denmark . . . . .	11,093
United States . . . . .	497,698
Finland . . . . .	4,154
Holland . . . . .	1,145
Norway . . . . .	32,942
Sweden . . . . .	713
Total . . . . .	558,405
Paper containing more than 30 per cent chemical wood-pulp, cotton-pulp, pulp of other fibres or straw-pulp, in sheets neither ruled nor printed upon, measuring less than 43 centimetres on the smaller side . . . . .	
United States . . . . .	2,590
Thin paper for carbon copies, weighing from 25 to 40 grams per square metre . . . . .	
Germany . . . . .	55
United States . . . . .	7,058
Holland . . . . .	126
Norway . . . . .	2,195
Sweden . . . . .	2,520
Total . . . . .	11,954
Paper bearing a coating of white-lead, sulphate of baryta, china-clay, talc, etc., on one or both sides, for typographical or lithographical purposes (laid paper) . . . . .	
United States . . . . .	97,923
Sweden . . . . .	1,131
Total . . . . .	99,054
Cellophane paper (transparent cellulose) . . . . .	
United States . . . . .	15,973
France . . . . .	463
Italy . . . . .	753
Total . . . . .	17,189

*Principal Imports of Paper into Guatemala, 1940—Continued*

	Kilos
Paper, paraffin, waxed or oiled, vegetable parchment paper, imitation parchment paper (paper's surface treated with sulphuric acid) waterproof paper, n.o.p., including paper for press tympan . . . . .	
Czechoslovakia . . . . .	1,120
Denmark . . . . .	4,623
United States . . . . .	35,371
Finland . . . . .	2,983
Sweden . . . . .	10,697
Total . . . . .	54,794
Paper, n.o.p. of any colour, with or without advertising, in sheets or rolls . . . . .	
Germany . . . . .	1,177
Denmark . . . . .	6,729
United States . . . . .	167,660
Finland . . . . .	25,108
Lithuania . . . . .	1,153
Mexico . . . . .	100
Norway . . . . .	974
Sweden . . . . .	24,087
Total . . . . .	226,988
China paper, or tissue paper, with or without printing, including paper for the manufacture of flowers and small flags . . . . .	
Germany . . . . .	1,096
United States . . . . .	14,189
Italy . . . . .	7
Sweden . . . . .	21,380
Total . . . . .	36,672
Crepe paper, white, coloured or printed, including the same in form of stips, whether the latter are open-worked, perforated or not . . . . .	
Canada . . . . .	156
United States . . . . .	5,121
Total . . . . .	5,277
Cigarette paper, white or coloured, with or without printing, in rolls or reels . . . . .	
United States . . . . .	23,295
France . . . . .	12,525
Total . . . . .	35,820
Carbon paper, of all kinds, in sheets or in boxes . . . . .	
Germany . . . . .	7
Canada . . . . .	135
United States . . . . .	2,640
England . . . . .	69
Total . . . . .	2,851
Cardboard and paper board of chemical wood-pulp, natural colour (manila) . . . . .	
United States . . . . .	3,240
Lithuania . . . . .	46,205
Total . . . . .	49,445
As above, bleached or dyed . . . . .	
Denmark . . . . .	289
United States . . . . .	10,744
Total . . . . .	11,033
Wallpaper, in sheets or rolls . . . . .	
Canada . . . . .	893
United States . . . . .	1,034
Total . . . . .	1,927
Note books and books, blank ruled or not, with or without headings or other printing, in bindings, n.o.p. . . . .	
Germany . . . . .	94
Canada . . . . .	5
China . . . . .	22
United States . . . . .	513
England . . . . .	48
Mexico . . . . .	7
Total . . . . .	689



Forms, loose or in pads, for bills of exchange, drafts, cheques, invoices, despatch notes, planillas, and in general, any printed matter to be filled up in writing . . . .

Kilos

Canada . . . . .	80
Cuba . . . . .	30
Colombia . . . . .	15
United States . . . . .	17,786
El Salvador . . . . .	18,419
England . . . . .	442
Italy . . . . .	2
Panama . . . . .	21
Total . . . . .	36,795

Besides the items credited to Canada in the foregoing table, small quantities of the following are also supplied from the Dominion: paper napkins and handkerchiefs, boxes with or without printing, files, almanacs or perpetual calendars, labels, placards and advertising bills, writing paper, and envelopes.

#### LUMBER

Guatemala has extensive forests and all the woods really necessary for its requirements are available. These resources, however, are not highly exploited, and there is difficulty in drying the local wood. The railway company and fruit companies, which are foreign organizations, buy lumber from outside. Otherwise imports into Guatemala are very limited. There is such an abundance of local lumber that prices paid for imported lumber are very low.

It is not practical to import furniture, since it can be bought locally. Freight charges and duty make imported furniture a luxury.

#### PULP

As there are no paper factories, there is no market for wood-pulp.

#### PAINTS AND VARNISHES

Prussian blue and metal purperine are imported from the United States. Colours in powder are also practically all imported from the United States, as Belgium, Holland, the United Kingdom and Germany have disappeared from the market. Prepared paints, with oil or in liquid form, are also practically all obtained from the United States. There is a market for low-grade paints from Canada, and opportunities for the sale of white spray for toilet seats and distemper paints, grey and black, which are used in breweries and factories for decorating walls, etc.

#### READY-MADE DRESSES

Due to customs duties and transportation and other charges, imported garments are too expensive for the majority of the population. Three small shops in the capital import dresses, and one large departmental store has a buyer in the United States, who is able to make selections for individual customers, as quantity buying is not feasible.

#### WOOLLEN UNDERWEAR

Wool fabrics from the United Kingdom have been arriving in normal volume. The United States, however, is entering the market, and Canadian manufacturers are afforded an opportunity of investigating its possibilities.

#### RUBBER GOODS

Imports of automobile tires during 1940 amounted to 207,705 kilos. Shipments from Canada, France and Germany fell off, while the United States became the predominant supplier, tires from the United States accounting for over 76 per cent of total imports. Canada supplied 18 per cent, and the United Kingdom 3 per cent. The United States was the sole supplier of solid tires.

The market for rubber shoes is very small. Total imports in 1940 were only 794 kilos, of which Canada supplied 50 kilos.

Reinforced hose and tubes are also supplied in small quantities by Canada. The total market for rubber goods is small and practically limited to the Capital. The United States has the bulk of the trade.

#### RAYON GOODS

Rayon yarn is not produced in Guatemala, but there are seven small weaving factories and three rayon knitting plants. Owing to the difficulty of obtaining raw silk and synthetic fabrics, it is probable that these plants will have to change over to the production of cotton goods. In normal times 235,000 pounds of rayon yarn are consumed in the weaving and knitting plants. The Netherlands provided the sized yarn required by this market.

#### CEMENT

There is a market for grey cement, which has come chiefly from the United States and Sweden; total importations in 1940 amounted to 1,297,208 kilos. White and industrial cements have been chiefly imported from the United States and also from Italy and Germany; in 1940 total importation was only 155,308 kilos.

#### CALCIUM CARBIDE

There is a fair market in Guatemala for carbide. In 1940 the two supplying countries were: Canada, 5,827 kilos; and the United States, 11,401 kilos.

#### HATS

The importation of hats of all types is small, the principal items being men's and children's hats. The natives wear head-dresses, each district having its own.

#### UMBRELLAS

Imports of umbrellas during 1940 totalled 80 kilos by weight, of which 12 kilos came from Germany and the remainder from the United States.

#### FERTILIZERS

Imports of fertilizers into Guatemala during 1940 amounted to 2,674,858 kilos, of which Canada supplied 28,510 kilos. The United States was the only country supplying more than Canada. Other shippers in order of importance were Chile, Germany and the United Kingdom. There is no import duty on fertilizers entering Guatemala.

#### FIREWORKS

Guatemala imported a total of 16,211 kilos of fireworks during 1940, of which 15,369 kilos came from China. Other shippers were Hongkong, the United States, and Mexico. As fireworks are very popular in the Latin-American countries and in great demand during the "fiestas," Canada might be able to obtain a share of the business in the future.

#### EXPLOSIVES

The total imports of explosives of all kinds into Guatemala during 1940 amounted to 85,491 kilos. The demand for industrial explosives runs to about 85,000 kilos a year. Orders include blasting powder, dynamite, and wicks and fuses for blasting. The United States supplies the bulk of the imports. The highway and construction programs account principally for the continued demand for industrial explosives.



## VEGETABLE OILS IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

Buenos Aires, January 26, 1942.—The present production of vegetable oils in Argentina has been largely a development of the past ten years. In 1930 the total production of all vegetable oils in Argentina was 25,985 metric tons (of 2,205 pounds). In 1940 the figure had reached 116,248 tons, and there would be a further substantial increase in 1941.

In 1930 Argentina exported 59,357 tons of edible vegetable oils; this figure fell to only 8,905 tons in 1940. The increase in the production of vegetable oils during the thirties was largely to replace imports—mainly olive oil from Spain following the civil war.

In 1938 the exports of all vegetable oils from Argentina were only 95 tons. This figure was increased to 9,456 tons in 1940 and to 48,015 tons in 1941. The principal factor which will limit exports in 1942 is likely to be the available production facilities, since the demand from abroad continues to increase.

Argentina is a producer and exporter of both vegetable oil seeds and of vegetable oils. Following are the latest available figures of production and exports of the principal oil-bearing seeds:—

### *Argentine Production and Exports of Oil Seeds*

	1939-40	Production 1940-41	1941-42	1939	Exports 1940	1941
	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons
Flaxseed . . . . .	1,014,400	1,459,600	1,670,000	1,183,203	752,191	664,292
Turnip seed . . . . .	28,770	24,065	*	25,278	13,912	*
Sunflower seed . . . . .	330,000	375,000	*	15,495	23,674	*
Peanuts . . . . .	84,395	61,000	*	3,731	16,790	*
Spurge . . . . .	*	*	*	143	146	*

\* Figures not available.

The following table shows the official Argentine figures of production and export of the various classes of vegetable oils in 1940:—

### *Argentine Production of Vegetable Oils in 1940*

	Seed Used M. Tons	Oil Produced M. Tons	Exports M. Tons
Flaxseed . . . . .	36,160	11,788	5,784
Turnip seed . . . . .	18,068	5,641	*
Peanut . . . . .	18,746	6,854	386
Cotton . . . . .	156,927	16,512	1,171
Spurge . . . . .	2,311	979	*
Sunflower . . . . .	302,091	73,594	*
Olives . . . . .	124	25	*
Grapes . . . . .	1,600	167	*
Tung . . . . .	479	126	*
Corn . . . . .	17,678	537	4
Coco copra . . . . .	29	17	*
Coco pulp . . . . .	62	8	2,111
Total . . . . .	554,275	116,248	9,456

\* Figures not available.

The foregoing table indicates that the combined exports of sunflower seed, turnip seed, olive oil, etc., did not exceed 2,111 tons in 1940.

The production of sunflower-seed oil increased from 58,444 tons in 1939 to 73,594 tons in 1940. Owing to a poor crop, olive oil production fell to 25 tons in 1940 from 134 tons in 1939.

Imports of edible vegetable oils in 1929, 1930, 1939, and 1940 were as follows:—

*Argentine Imports of Edible Vegetable Oils*

	1929 M. Tons	1930 M. Tons	1939 M. Tons	1940 M. Tons
Edible oils, bulk . . . . .	50,932	59,286	9,182	8,715
Edible oils, bottled . . . . .	11	5	2	1
Cottonseed oil . . . . .	607	66	6	1
Coco and palm oil, edible . . . . .	....	....	100	188
Total . . . . .	51,550	59,357	9,290	8,905

Argentine exports of vegetable oils, oilcakes and residue of the oil production industry in 1938, 1939 and 1940 are shown in the following table; total exports under each of these categories in 1941 were 48,015 tons, 72,022 tons and 29,970 tons respectively, but figures for each type of oil are not available:—

*Argentine Exports of Oils and Oil Cakes*

	1938 M. Tons	1939 M. Tons	1940 M. Tons
<b>Oils—</b>			
Cotton oil . . . . .	.....	2	1,171
Flaxseed oil . . . . .	92	1,472	5,784
Corn oil . . . . .	.....	52	4
Peanut oil . . . . .	2	135	386
Ricino . . . . .	1	1	3
Sundry . . . . .	.....	30	2,108
Total . . . . .	95	1,692	9,456
<b>Cakes—</b>			
Cottonseed . . . . .	41,164	42,381	29,062
Sunflower seed . . . . .	41,147	51,374	6,696
Flaxseed . . . . .	11,093	9,057	12,935
Peanuts . . . . .	6,593	6,599	4,051
Turnip seed . . . . .	13,665	3,761	2,339
Total . . . . .	113,642	113,172	55,083
<b>Residue oils—</b>			
Cottonseed . . . . .	1,562	2,048	5,311
Sunflower seed . . . . .	31,673	29,013	10,412
Flaxseed . . . . .	1,895	1,681	5,164
Peanuts . . . . .	6,593	6,101	5,772
Turnip seed . . . . .	7,349	1,614	298
Total . . . . .	49,072	40,457	26,957

The Argentine Government has announced that it will encourage an increase in the production of linseed oil to 150,000 tons in 1942. It is probable that there will be an increase, in the production particularly, of sunflower-seed oil in 1942.

**SECOND OFFICIAL ESTIMATE OF THE ARGENTINE 1941-42  
GRAIN CROPS**

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

Buenos Aires, January 23, 1942.—The second official estimate of the 1941-42 grain crops, issued by the Argentine Department of Agriculture, shows decreased yields in wheat, oats, barley, rye and millet as compared with 1940-41 and also the average yields for five years 1936-41, but an increased yield in linseed in both comparisons. The figures of this estimate, together with the yields in 1940-41 and the average annual yields for the 1936-41 period, are shown in the following table:—

	1941-42 Bushels	1940-41 Bushels	1936-41 Average Bushels
Wheat . . . . .	227,788,000	299,431,000	253,345,483
Linseed . . . . .	65,747,900	59,842,000	59,653,503
Oats . . . . .	30,479,500	34,986,575	47,481,938
Barley . . . . .	17,591,190	36,238,770	25,773,665
Rye . . . . .	6,299,200	8,354,314	10,238,129
	Tons	Tons	Tons
Millet . . . . .	29,700	32,406	34,497



## FIRST OFFICIAL ESTIMATE OF THE CORN ACREAGE IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

Buenos Aires, January 31, 1942.—The first estimate, by the Department of Agriculture of the Republic of Argentina, of the area sown under corn gives 12,597,000 acres for the 1941-42 season as against 15,061,072 acres for 1940-41, and an average of 15,192,839 acres for the five-year period 1936-41.

The condition of the corn crop, which will be harvested in March, is very good. However, corn is practically unsalable now, and the new crop will merely be an addition to the extremely large stocks of corn already held in Argentina.

## NOTES ON TRADE AND INDUSTRY

### ARMS PRODUCTION IN INDIA

The manufacture of steel buildings, engineering supplies and many items of weapons and ammunition is now in progress by civil industry in addition to government factories. The object is to make the maximum use of the existing industrial capacity and make India self-supporting for munitions supply as far as possible. Large orders have been placed on civil and railway workshops for the production of parts of armaments. The production of 4.5-inch howitzer and 25-pounder shell forgings in railway workshops has been established, and jute mills have undertaken machining of shells as well as further work in munitions supply. Some workshops have been entrusted with the manufacture of empty fuses for high explosive shells.—*The Chamber of Commerce Journal*.

### PACIFIC WAR AFFECTS SOUTH AMERICAN TRADE

Japan's trade with South America has not been large, although Japan has recently been a very important market for cotton from both Brazil and Peru. The outbreak of hostilities in the Far East, however, may be expected to aggravate still further the already acute shortage of shipping in the Western Hemisphere, thereby prejudicing both import and export trade, the most serious danger being the adverse effect upon the supplies of such essential goods as newsprint, tinplate, coal, and oil, and of grain bags to Argentina.—*The Times Trade and Engineering*.

## CONTROL OF EXPORTS FROM CANADA

### ADDITIONS TO LIST OF PRODUCTS FOR WHICH A PERMIT TO EXPORT IS REQUIRED

By Order in Council P.C. 911 of February 5, 1942, the following commodities are added to the list of commodities which may not be exported from Canada except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

#### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

- Copra oil cake meal.
- Dried brewers' yeast.
- Corn, whole, ground or cracked.
- Hominy and corn grits.
- Edible molasses.

This Order becomes effective on and after February 13, 1942.

According to a statement issued by the Minister of Trade and Commerce, the corn products, together with brewers' yeast and copra oil cake meal, are placed under export control in view of the shortage of live-stock feed, which is urgently needed at present, and supplies of which might be seriously depleted by uncontrolled exports. Molasses is added in order to conserve sugar supplies.

## TARIFF CHANGES AND TRADE REGULATIONS

### United States

#### INVOICES OF PLANED LUMBER AMENDED

With reference to the announcement in *Commercial Intelligence Journal* No. 1972 (Nov. 15, 1941), page 593, respecting United States Treasury Decision 50498 of October 17, 1941, requiring additional data on customs invoices of lumber (including sawed lumber), planed or dressed, Treasury Decision 50555 of January 19, 1942, amends the former decision by exempting invoices of Northern white pine (*pinus strobus*) and Norway pine (*pinus resinosa*) from the requirement of setting forth the information provided for in items (3) and (4).

Items (3) and (4) read as follows:—

- (3) The quantity of the lumber in board feet in dressed condition.
- (4) The sizes of the lumber after dressing.

### Dominican Republic

#### PROPOSED EXCHANGE CONTROL REGULATIONS

C. S. Bissett, Canadian Trade Commissioner in Havana, writes that the Dominican Republic passed on December 11, 1941, a law which authorizes the Executive to control foreign exchange whenever this may be deemed necessary for the defence of the country's economy or of national interest. Hitherto no form of exchange control has been in existence in the Dominican Republic. The law gives the Executive authority to investigate, regulate or prohibit any transference, remittance or receipt of credit or securities, payments to be made, any kind of transaction or operation with securities, instruments of credit or properties generally, and any other activity covering property belonging to or managed by any foreign state or by any person or entity in the Dominican Republic or in other countries. The law further provides that any action taken under this law will not affect the right of property of states or individuals in funds, credits, securities and possessions generally but will merely establish the temporary inability to dispose of such funds, etc. Special regulations are established with regard to enemy states or countries allied to enemy states.

### Lebanon

#### IMPORT TAX AND LICENCE FEE IMPOSED

The office of the Canadian Trade Commissioner in Cairo advises under date November 25 that an import tax of 1 per cent ad valorem has been imposed on all goods imported into the Lebanon. Moreover, a fee of 10 Syrian pounds (about \$5 Canadian) must be paid in advance when making applications for import licences, which sum is deposited with the Treasury Department whether or not the licences are granted.

### Belgian Congo

#### CUSTOMS DOCUMENTATION OF SHIPMENTS

His Excellency, Baron Silvercruys, Belgian Minister to Canada, advises that a notice has been issued by the Congo Administration drawing the attention of importers in Congo to the fact that numerous parcels are awaiting delivery at Matadi for lack of documents necessary to establish customs declarations such as original bills of lading, invoices, permits, etc. Bills of lading, a copy of which is received by the port services on arrival of the goods, are generally made out: (1) to order, (2) to the order of a bank, or (3) to the order of the Otraco (Office of Colonial Transports), without any indication to allow determination as to who is the actual consignee of the goods. In order to enable the Otraco to communicate with the consignee with a view to obtaining the original bill of lading and of the documents required for the clearing of the goods, importers are recommended to instruct their suppliers overseas to show on all documents the name of the final consignee.



## EXCHANGE CONDITIONS IN ECUADOR

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, January 15, 1942.—A system of exchange control was reintroduced in Ecuador on June 3, 1940, and is still in operation in that country. The Central Bank of Ecuador continues to buy United States dollars at the standard rate of 14·80 sucres and to sell at 15 sucres per dollar.

The official dollar rates have been steady during 1941 and, according to reports, dealings on the curb market are few and of little importance, although they have increased somewhat lately. Financial circles report, however, that the Central Bank may soon reduce the selling rate to 14·10 sucres and will buy at 13·70 sucres per dollar. On January 1, 1942, a new tax of 0·10 sucre (ten cents Ecuadorean) was imposed on each United States dollar or its equivalent at the time of effecting the sale and/or the purchase.

Imports are subject to permits, which are granted to importers on a quota basis relative to their capital and previous volume of imports. A certain control is maintained with regard to the importation of luxury goods and those which compete with nationally manufactured articles. Since the commencement of 1941 the total amount of available exchange to pay for all arrivals has been around U.S.\$1,000,000 or more per month, but the tendency is to restrict the arrival of goods to those which are necessary for the nation's welfare.

As a precautionary measure, Canadian exporters should not ship unless the dealer in Ecuador has supplied them with a duplicate copy of the relative import permit (*permiso de Importaciones*). Importers are required to make application for the exchange before placing orders abroad. When this is granted, the Central Bank puts the exchange aside to the order of the importer, so that it is available for payment against shipping documents, but only after the arrival of the goods at the respective Ecuadorean port. Dealers also may open letters of credit, which can only be established through the Central Bank of Ecuador as this bank is the only one entitled to deal in such transactions. The Central Bank, however, requires that a deposit covering the full payment of the equivalent sucres be lodged with it before it issues the letter of credit. The customs and parcel post office will not deliver imported goods unless proof is furnished that the covering exchange has been obtained through the Central Bank of Ecuador. Merchandise that has been sold on a time draft basis is delivered only upon certification that the purchaser has accepted the draft and a bank guarantee of reimbursement with funds provided by the Central Bank of Ecuador. Imports may also be effected through letters of guarantee which are established by Ecuadorean commercial banks. This instrument differs from the letters of credit, inasmuch as the draft or drafts drawn under letters of guarantee are reimbursable only after arrival of the relative goods at any Ecuadorean port.

The trade situation in Ecuador was upset by the recent Peruvian-Ecuadorean hostilities, but conditions are now apparently becoming more normal. At that time the commercial banks were loath to extend credit facilities and trade transactions were necessarily reduced. Certain difficulties were encountered in securing the release of merchandise from the customs, but according to reports this situation has now improved. Favourable developments regarding agricultural export products, due to increased demand from the United States, and more active business conditions in general, are to be noted.

Reference was made in *Commercial Intelligence Journal* No. 1966 (October 4, 1941) to the conclusion of a commercial *modus vivendi* between Canada and Ecuador, which went into effect on October 1, 1941. This provides for the extension of most-favoured-nation treatment as regards tariffs and exchange control. Canada will enjoy the benefit of the preferential rates of duties accorded to various goods upon entry into Ecuador. The tariff surcharge of 50 per cent formerly levied on all dutiable goods from Canada—owing to the unfavourable balance of trade which, from an Ecuadorean point of view, previously existed

between the two countries—has been removed by the terms of this arrangement. Canadian merchandise can now compete on an equal footing with that from the United States.

Concerning terms of shipment to Ecuador, Canadian exporters forwarding goods to unknown customers should insist on letters of credit, as these can be opened through the Central Bank of Ecuador, or should require letters of guarantee. However, since the Exchange Control sets exchange aside for approved orders, sales on a sight-draft basis, or even on short-term credits, can be made to reliable importers. Should an importer refuse to pay a draft for which the foreign exchange has been earmarked, he is not to be granted further exchange facilities; in other words, he will be unable to obtain further imports.

When making quotations to Ecuadorean firms, to avoid confusion shippers in Canada are advised to express their prices in United States dollars, as these represent the most current medium of exchange in Ecuador. Also, by the regulations of the Canadian Foreign Exchange Control Board, final settlement for Dominion goods despatched to Ecuador must be effected in United States dollars. However, if quoting in Canadian dollars, a clear indication should be given of the exchange allowance granted to put these offers into United States funds.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 9, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Feb. 9, 1942, and for the week ending Monday, Feb. 2, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 2	Nominal Quotations in Montreal Week ending Feb. 9	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2282	.2282	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2620	.2620	—
Brazil . . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6327	.6326	4
Uruguay . . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5823	.5855	—
South Africa . . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Straits Settlements . . . . .	Dollar	.5678	.5216	.5205	—
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	2
		Offer	3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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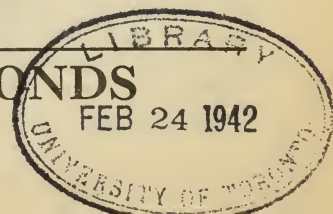
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L. D. WILGRESS, DEPUTY MINISTER

BUY NEW VICTORY BONDS



## MARKET FOR FISH IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

### I. Salted, Smoked and Dried Fish

Port of Spain, January 30, 1942.—The types of fish imported into the British West Indies (Eastern Group) and British Guiana are the direct outcome of economic conditions prevailing in these colonies.

Most of the 1,360,000 inhabitants of these over-populated territories are dependent on agriculture for a livelihood, and during the years 1929 to 1939 when prices of sugar, the principal cash crop, declined from 11s. 6d. per cwt. f.o.b. to 7s. 6d. per cwt., the coloured agricultural worker experienced a difficult time.

During this period a worker received a wage of about 24 cents per day, of which hardly more than 7 cents was used for food. Purchased in two- or three-cent quantities, it consisted of penny loaves, driblets of flour and rice, bits of salt fish or pickled meat, small cuts of cheese, dabs of butter, and other easily divided low-priced foods.

This demand provided a market for cheap fish suitably prepared for tropical conditions, for the dry salt Nova Scotia and Newfoundland codfish, pollock and hake, pickled mackerel and salmon, smoked herring and low-grade tinned salmon and sardines.

Bulked together, such imports for the British West Indies (Eastern Group) and British Guiana in 1939 had a substantial value of \$1,487,000. The total value comprised 69.5 per cent dry salt fish, 23.2 per cent canned fish, and 7.3 per cent pickled fish. Distribution values according to principal markets were as follows, the Canadian dollar being at a  $9\frac{1}{4}$  per cent premium over the B.W.I. dollar:—

#### *Imports of Fish by Types and Countries of Supply in 1939*

	Salted and Cured Fish	Pickled Fish	Canned Fish
	Values in B.W.I. Dollars		Dollars
Trinidad .....	388,986*	52,748	170,065
British Guiana .....	198,688	24,964	98,967
Barbados .....	235,353	11,121	57,739
Leeward Islands .....	88,483	13,195	10,924
Grenada .....	56,784	4,224	5,524
St. Lucia .....	34,185†	1,459†	480†
St. Vincent .....	31,113†	427†	1,766†
	1,033,592	108,138	345,465

\* Trinidad figures are for dry salt codfish only. † 1938 figures.

### DRY SALT FISH

Imports of dry salt fish into this territory have remained fairly steady during the past few years. In 1936 the estimated value was \$1,500,000, and it was only slightly lower, about \$1,034,000, in 1939. Canada supplied 25 per cent of the total imports in the former year and 47.4 per cent in the latter, the noteworthy percentage increase being due to an expanding market for Canadian pollock in British Guiana and improved imports of Nova Scotian codfish into Trinidad as indicated in the following table, which shows total imports of dried, salted or cured fish into each of the colonies of this territory, with figures for each of the principal sources of supply:—

#### *Trinidad Imports of Dry Salted Codfish*

	1939		1940		5-Year Average 1934-38	
	Cwt.	\$B.W.I.	Cwt.	\$B.W.I.	Cwt.	\$B.W.I.
Total .....	53,720	388,986	46,981	412,463	51,017	338,001
Canada .....	35,237	279,622	34,052	318,557	34,017	244,365
Newfoundland .....	17,878	105,078	12,849	93,354	13,913	76,343



*Barbados Imports of Fish, Dry Salted or Smoked*

	1939		1940		5-Year Average 1934-38	
	Quintals	£	Quintals	£	Quintals	£
Total . . . . .	42,637	49,032	33,002	42,902	46,537	56,952
Canada . . . . .	5,576	6,412	5,124	6,661	7,101	6,824
Newfoundland . . . . .	36,789	42,307	27,878	36,241	39,372	47,801

*British Guiana Imports of Fish, Smoked or Dried*

	1939		1940		5-Year Average 1934-38	
	Cwt.	\$B.W.I.	Cwt.	\$B.W.I.	Cwt.	\$B.W.I.
Total . . . . .	34,958	198,688	34,160	247,705	34,625	185,855
Canada . . . . .	18,330	111,495	19,112	146,883	19,404	98,533
Newfoundland . . . . .	1,804	10,971	6,071	42,687	722	3,305
United Kingdom . . . . .	14,789	75,488	8,964	57,476	15,301	74,033

*Leeward Islands Imports of Dry Salted or Smoked Fish*

	1938		1939		5-Year Average 1934-38	
	Cwt.	£	Cwt.	£	Cwt.	£
Total . . . . .	18,002	20,950	16,766	18,434	15,748	17,203
British North America . .	17,132	19,970	14,671	16,427	12,085	13,806
United Kingdom . . . . .	818	902	2,065	1,967	3,543	3,235

*Grenada Imports of Dried Fish*

	1938		1939		5-Year Average 1934-38	
	Lb.	£	Lb.	£	Lb.	£
Total . . . . .	1,026,965	10,628	1,047,783	11,830	944,232	10,115
Canada . . . . .	196,369	2,051	522,487	6,295	260,834	2,867
Newfoundland . . . . .	821,388	8,488	509,337	5,308	666,179	7,105

*St. Lucia Imports of Dry Salted or Smoked Fish*

	1938		1939		5-Year Average 1934-38	
	Lb.	£	Lb.	£	Lb.	£
Total . . . . .			690,925	7,122	628,847	6,519
Canada . . . . .			264,369	2,838	305,423	3,352
Newfoundland . . . . .			425,600	4,274	321,053	3,139

*St. Vincent Imports of Herring, Cod, Etc.*

	1938		4-Year Average 1935-38	
	Lb.	£	Lb.	£
Total . . . . .	664,338	6,482	613,219	6,059
Canada . . . . .	53,150	471	99,167	843
Newfoundland . . . . .	609,840	5,997	513,496	5,211

NOTE: No figures are available for imports into St. Lucia and St. Vincent in 1939.

The territory may be divided roughly into three general marketing areas: Barbados and the Leeward and Windward Islands, for Newfoundland codfish and very low-priced fish from Canada; British Guiana, for pollock from Canada and the United Kingdom; and Trinidad, for the comparatively higher-priced Nova Scotian codfish.

## BARBADOS, WINDWARD AND LEEWARD ISLANDS

These colonies without exception are wholly dependent on agriculture as a source of income, and in all of them serious over-population tends to depress wages.

*Barbados.*—The importation of culls and low-priced codfish from Newfoundland on consignment has met this colony's need for very cheap food, but it has closed the market to Canadian shippers of higher-priced Nova Scotian dry salt codfish. It is not surprising, therefore, that Canada supplied only 13 per cent of the colony's dry salt and cured fish in 1939.

*Windward Islands.*—The neighbouring islands of Grenada, St. Vincent, St. Lucia and Dominica obtained about 68 per cent of their total imports of dry salt fish from Newfoundland in the period 1934 to 1938. Much of it was transhipped by schooner from Barbados. Of the four colonies St. Lucia was most favourable to Nova Scotian dry salt fish, imports being about equal to those from Newfoundland.

*Leeward Islands.*—There is no distinction in the local customs figures between imports from Canada and Newfoundland, but imports must consist of Newfoundland codfish and low-priced salt fish such as pollock from Canada.

Dominion export figures indicate that for the general area of the Leeward and Windward Islands exports from Canada have remained between 4,000 and 5,000 hundredweights of codfish in recent years, while there has been a steady increase in the supply of dry salt pollock, hake, etc., from 4,628 hundredweights in 1934 to 8,691 hundredweights in 1939.

#### BRITISH GUIANA

The resources of British Guiana are more varied than those of the other colonies, but the majority of the population is still dependent on agriculture for a livelihood and in receipt of limited incomes.

Large pollock is the principal type of dry salt fish imported. Since 1932, imports from Canada have increased steadily, and imports from the United Kingdom have declined. This is attributed to lowered freight rate for shipments from Canada and a reduction in supplies from Iceland, on which United Kingdom exporters were dependent.

#### TRINIDAD

With an estimated pre-war population of 465,000, Trinidad is the most industrialized of all the colonies in this territory. Expanding oilfield operations and, more recently, the construction of United States bases have contributed to the maintenance of a buying power that is considerably higher than in the other colonies.

This has permitted Trinidad to become the prime market for comparatively high-priced Nova Scotian dry salt codfish, which constitutes about 72 per cent of the average total imports valued at \$338,000 (B.W.I.) per annum.

The demand is for medium, large and extra large white, thick codfish, but experience has shown that the best keeping fish is medium cured, dry salted codfish.

As there is only a limited number of Nova Scotian shippers, it was possible in 1937 to organize a Trinidad Exporters Group, which ensured more stabilized marketing in Trinidad.

#### PRICES

The prices for Nova Scotian codfish in 1939 (pre-war) per cask c.i.f. Trinidad were 120s., 130s., and 140s. for medium, large and extra large fish respectively. At that time Newfoundland codfish was selling at \$21 to \$23 (Canadian) c.i.f. per cask according to grade. Since the outbreak of war, prices for Nova Scotian dry salt codfish have doubled and current quotations are 260s. to 280s. c.i.f. per cask according to grade, while Newfoundland codfish is selling at \$53 to \$55 (Canadian) c.i.f.

Normally the pre-war retail price for Nova Scotian codfish was from 10 cents to 12 cents per pound. At present it is 18 to 20 cents per pound and that of Newfoundland codfish is 16 to 17 cents per pound. Prices for alternative foods such as pickled meats and canned salmon are at a corresponding level. The fact that these prices are being sustained without marked restriction of imports indicates the heavy increase in local wages as a result of the war.





as a market for sardines. About 71·5 per cent of its canned fish imports from Canada in 1939 consisted of this product.

*Barbados, Leeward and Windward Islands.*—The volume of canned fish imports of these colonies has shown little improvement during the past ten years. Barbados imports from Canada in 1939 consisted of approximately 54 per cent canned salmon and the remainder of sardines. In the smaller Leeward and Windward Islands, where shipping facilities from Eastern Canada are better than from the Pacific coast, sardines comprised about 82 per cent of the 1939 canned fish imports from the Dominion.

#### LOCAL DISTRIBUTION

Canned fish is distributed locally through two distinct channels. The high-class grocery trade, numbering from two to six grocery retailers in each market and catering to the wealthier sections of the community, purchase most of the red Alaska salmon imported from the United States together with some high-grade salmon from Canada; while the twenty or more wholesale provision merchants in each colony, who distribute to small shop-keepers catering to the working classes, import most of the chum and pink salmon and low-priced sardines.

#### PRICES

During the years 1938 and 1939 Libby's Red Alaska talls sold to the high-class grocers at U.S.\$2 to U.S.\$2.50 per dozen c.i.f. Chum salmon in tall tins, which is the most popular type of canned salmon imported from Canada, was sold to the provision merchants at about the same time at \$3.90 to \$4.25 (Canadian) c.i.f. per case of 48 tins, while sardines were being sold at \$3.75 (Canadian) c.i.f. per case of 100 3½-ounce tins.

Since the war, supplies of canned fish have become difficult to obtain, and prices are no longer representative of normal trade conditions. Wholesale and retail prices are set by colonial government price control committees. These prices are based on prevailing c.i.f. prices to merchants and allow them a satisfactory profit after duty and difference of exchange have been taken into consideration.

Under these conditions the controlled prices for canned fish in Trinidad on January 31, 1942, in terms of B.W.I. dollars, were as follows:—

	Wholesale B.W.I. Dollars	Retail Dollars
Pinks and chums, 48 ls. . . . .	8.70	0.22
Pinks and chums, 96 ½s . . . . .	10.20	0.13½
Red Alaska, 48 ls. . . . .	16.60	0.40
Sardines in oil, 100 3½-oz. tins . . . . .	5.40	0.6½
Sardines in tomato sauce, 48 14-oz. tins . . . . .	6.50	0.16

#### MARKET PROSPECTS

Prospects for the sale of canned fish depend largely on improved purchasing capacity of the labouring classes. Their numbers are steadily increasing, but it is reasonable to expect that in certain colonies, such as Trinidad and British Guiana where United States bases are established and where some industrialization is possible, a steady increase in the demand for canned fish will develop.



## CANADA'S DOMESTIC EXPORTS BY PRINCIPAL COUNTRIES IN JANUARY

The following table, compiled by the External Trade Branch, Dominion Bureau of Statistics, shows Canada's domestic exports (excluding gold) by principal countries for the month of January, 1942 and 1941:—

Countries	Month of January	
	1941	1942
	Thousands of Dollars	
All countries . . . . .	86,921	150,520
Empire countries . . . . .	46,375	73,325
British East Africa . . . . .	328	49
British South Africa . . . . .	2,747	1,695
Southern Rhodesia . . . . .	203	164
British West Africa . . . . .	122	210
Bermuda . . . . .	96	233
British India . . . . .	2,135	6,208
Burma . . . . .	27	123
Ceylon . . . . .	51	23
Straits Settlements . . . . .	565	1,698
British Guiana . . . . .	181	557
Barbados . . . . .	74	195
Jamaica . . . . .	480	579
Trinidad and Tobago . . . . .	478	1,365
Other British West Indies . . . . .	155	328
Newfoundland . . . . .	743	2,145
Australia . . . . .	1,434	2,661
Fiji . . . . .	67	1
New Zealand . . . . .	477	55
Palestine . . . . .	2	12
Eire . . . . .	191	15
United Kingdom . . . . .	35,652	54,986
Foreign countries . . . . .	40,546	77,195
United States . . . . .	36,043	56,083
Argentina . . . . .	434	488
Bolivia . . . . .	12	24
Brazil . . . . .	659	428
Chile . . . . .	90	187
China . . . . .	434	202
Colombia . . . . .	109	162
Costa Rica . . . . .	9	39
Cuba . . . . .	245	388
Ecuador . . . . .	13	61
Egypt . . . . .	815	12,162
French Possessions . . . . .	43	90
Guatemala . . . . .	14	30
Haiti . . . . .	11	20
Honduras . . . . .	27	37
Iceland . . . . .	38	143
Iraq . . . . .	8	2,131
Mexico . . . . .	283	472
Netherlands East Indies . . . . .	118	198
Netherlands West Indies . . . . .	19	77
Nicaragua . . . . .	12	27
Panama . . . . .	50	70
Peru . . . . .	68	108
Portugal . . . . .	22	76
Portuguese Africa . . . . .	75	38
Russia . . . . .	.....	2,743
Salvador . . . . .	7	18
San Domingo . . . . .	21	27
Spain . . . . .	69	.....
Switzerland . . . . .	30	12
Hawaii . . . . .	84	.....
Puerto Rico . . . . .	51	95
Uruguay . . . . .	29	123
Venezuela . . . . .	81	154

## FLAX PRODUCTION AND DEVELOPMENT IN NORTHERN IRELAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, January 10, 1942.—Many years ago Ireland produced flax in a large way. Towards the end of the sixteenth century the country derived much benefit from Huguenot refugees, some of whom, having been brought up in the flax industry in their own homeland, stimulated its development here.

The greatest area under flax in Ireland on record was 300,000 acres in 1864. From then until 1915 the acreage continued to recede. After 1900 and up to 1915 the area under crop averaged roughly 52,000 acres. Due to the war it quickly rose until in 1918 it reached 143,355 acres, of which 110,744 acres were grown in Northern Ireland. From that year it continued again to contract steadily. For the ten years preceding the present war the average annual production of scutched flax amounted to 4,697 tons, which does not compare favourably with the four years 1851-1854, when it was almost 40,000 tons. The country could not be roused from the apathy into which it had fallen with regard to flax growing. The fact that the linen spinning trade of the United Kingdom has relied in recent years on Russian and Belgian flax is attributed to this condition. Up to 1937 many farmers—discouraged by poor returns and impervious to any patriotic arguments—had ceased cultivating flax, with the result that the total acreage of the country shrank to 20,000. This situation did not evoke special interest in the linen trade until Russia began to withhold exports, supplies from that country falling from 96,000 tons in 1934 to 34,000 tons in 1937.

The circumstances provided ground for apprehension and finally became a cardinal issue. It remained for the Ministries of Commerce and Agriculture to make an aggressive move, with the result that in April, 1938, the Government of Northern Ireland set up the Flax Development Committee for the encouragement of flax-growing in that area. It was fortunate that this course was pursued, for much progress had already been made when war began a year and a half later and when the conquest of Belgium aggravated the situation so far as that source of supply of flax fibre was concerned.

Following the outbreak of war official encouragement was immediately given to farmers to grow flax, and the Northern Ireland acreage rose to 90,000 for the 1941 harvest. The crop gathered fell into the following categories: (a) dam-retted, 75,000 acres; (b) dew-retted, nil; (c) natural, 12,000 acres; (d) tank-retted, 3,000 acres.

Both the cultivation and the retting of flax are highly technical and it is the opinion of the majority of those engaged in this work that the quantity and quality of the fibre recovered in Northern Ireland can be greatly improved by the application of the methods employed in Belgium prior to the war. The transition has already begun and, although many problems have still to be solved before the change-over can be regarded as a complete success, rapid progress in that direction is already apparent.

### FLAX DEVELOPMENT COMMITTEE

The Flax Development Committee is composed of ten members and a secretary. The members are drawn from the following organizations: The Flax Spinners' Association, three members; The Farmers' Union and The Ulster Agricultural Organization Society, two each; The Northern Ireland Flax Mill Owners' Association, The Linen Industry Research Association, and The Local Branch of the Institute of Chartered Accountants, one each.

The task given the Committee was to inquire "to what extent flax capable of competing, in quality, handling and price, with supplies coming from elsewhere, can be remuneratively produced in this country." Higher yield per acre of straw and better quality and high yield of fibre per ton of straw were wanted.



The Committee was empowered to undertake expenditure in connection with its task on the understanding that those interested in agriculture and the linen trade should provide 10 per cent of the outlay, and provided, further, that the total liability of the Government for the three years 1938-1941 did not exceed £150,000. The Flax Spinning Trade of Northern Ireland unanimously accepted the responsibility of providing 10 per cent of the Committee's expenditure. The Government has since continued the grant of £50,000 per annum, subject to the same condition, for the remainder of the war period.

### CULTIVATION

There are two chief varieties of the flax plant grown for fibre purposes, viz.: *Linum usitatissimum*, *vulgare* (blue flower), and *Linum usitatissimum*, *album* (white flower).

The blue variety produces a fine fibre of high quality, whereas a stronger, coarser fibre of inferior character comes from the white flower flax. White flower flax is, however, grown by some farmers on account of the higher yield per acre and a better financial return.

Generally speaking, flax cultivation in Ireland has been carried on up to now by the individual farmer, whose holdings, as a rule, range from 20 to 40 acres only. As a five-year rotation of crops is followed, flax growing is restricted to an average of 5 acres per farm. These small plots are scattered all over the country where varying methods of cultivation obtain and where they are distinct in soil and water components. It is only natural, therefore, that there should be produced fibres which differ from one another in quality, colour and strength. The tendency in Northern Ireland is now to concentrate on districts and to encourage farmers to grow more flax, by organizing seed and manure supplies, the erection of retting tanks and scutching mills and the provision of pulling machines. This policy, it is hoped, will produce a more consistent level of excellence, as flax will be grown by the farmer under expert supervision and retted and scutched by a uniform process.

All seed sown in Northern Ireland is broadcast by a little hand machine called a fiddle, and then covered by a harrow. Some persons suggest that this method does not bury all the seed to the same depth. Some pickles go deeper into the ground than others, resulting in an uneven germination. Flax brairds (sprouts) in the spring of 1941 were very unsatisfactory, and irregular depth of seed was held to be partly responsible. Some growers are of the opinion that drill sowing would be an improvement. This would put the seed to a definite depth in rows about three inches apart. One of the explanations as to why there have been no experiments on this point is that there are no flax drills in Northern Ireland. Corn drills have been employed but they are not satisfactory for use with flax seed, the spacing being too wide. There are, however, one or two agricultural machinery firms endeavouring to produce an efficient flax drill. The Belgians had this type of seeder, and an adapted one is employed in England. Another factor weighing against drills in Northern Ireland is that the small farmer cannot afford to pay for such a machine, which would therefore have to be provided by the local factory or a co-operative group.

### MANURIAL TREATMENT

Experiments on manurial treatment have been carried out in Ireland since 1901, when the Department of Agriculture for all Ireland was in Dublin. The present practice is based on the findings of these experiments over the last forty years. They are very different from those which obtain in Belgium, where quite large amounts of potash, nitrogen and phosphate fertilizers are used. In the case of Irish flax, nitrogen produces too much straw, with too small a proportion of fibre. This fertilizer, in the form of sulphate of ammonia, is employed only

in the case of very heavy soils and then only half a hundredweight to the acre. Phosphates for Northern Ireland are not recommended either, as they are found to encourage the growth of weeds to the exclusion of flax. Potash fertilizers are in favour. The use of common salt (sodium chloride) as a substitute for potash, in case supplies should be cut off, has been under investigation for the last year. There is some indication that it may be effective, but as yet no decision can be taken. The application of lime for acid condition is being studied, but only in the case of individual soils, as a large proportion of flax land is not deficient in lime in this area. The Ministry of Agriculture of Northern Ireland maintains a free advisory service for any farmer who desires to have his soil analysed and gives advice as to the necessary treatment.

#### SEED DISTRIBUTION

Apart from the lack of saving and processing facilities then, the difficulties which arose over home-grown seed during the last war are considered to have been largely due to the presence of seed-borne diseases. At that time an effort to find some prophylactic treatment was made by the Department of Agriculture of Ireland. It had only partial success and investigations ceased about the end of 1921 without any concrete results.

The present war brought the problem again to the front, but this time research work undertaken by Dr. A. E. Musckett of the Ministry of Agriculture of Northern Ireland has resulted in the finding of a disinfectant, Nomersan (R.D. 7846), which will eliminate seedling blight to a large extent, and effectively control "browning". The treatment of flax seed by Nomersan soon followed in Great Britain.

#### RETTING

Retting is the exposure of the flax straw to water in one of three ways: spreading on the ground to catch the dew, soaking in a pond, or soaking in a closed-in tank with warm water. These retting systems are known as dew, pond or dam, and tank. The process develops bacteria which break down the outer skin of the straw and the gums and pectins binding the fibre bundles together. The woody core is left brittle and detached and is then easily broken and shaken free from the fibres by scutching. Chemical retting is also being explored. Retting is subject to many unstable factors, which seem to vary with climate, soil and variety of flax. It is apposite, therefore, to find flax scientists in Northern Ireland seeking a solution to many problems which arise, so that the grower and processor may be given the technique best applicable to this country.

Straws react differently to the same retting treatment. The outer skin and binding properties of Irish straw break down more readily than is the case with Belgian straw. This may result because Irish straw is greener when pulled than Belgian, and, therefore, contains less pectin and gum. Green flax rets very much quicker than well-ripened crops. This distinctiveness obtains not only between Irish and Belgian straws, but also applies to straws of different regions in Northern Ireland. The soil, the manure, the water and the climate, together with the variety of flax grown, may collectively and individually affect the chemical constituents of the straw. At any rate it is felt, first, that retting should be adjusted or modified to meet those peculiar qualities which arise in each case, and second, that it should be possible to determine in advance the kind and degree of the processing required. It is known that a short ret produces a coarse fibre, gives a higher yield, whereas long retting dissolves more intensively the cementing material which holds the bundles together and produces, without injury, a finer and higher grade fibre.

Norfolk flax, like Belgian, is ripe and, due to the action of sunlight which oxidizes the chlorophyll, is yellow. On the other hand, Irish flax is pulled before it has entirely lost its green colour. Some experiments have shown that, if



Norfolk and Irish flax are treated with alkali, the former pales slightly to a cream, while the latter takes on a more distinctive dark green. Under the same process, Norfolk flax loses from two per cent to three per cent more weight than Irish flax. One well-known flax scientist states that Irish flax in one district was green in colour when pulled, although it was definitely ripe, and, therefore, the green colour may sometimes be due to the soil.

#### DEW RETTING

There never has been any serious effort made to introduce dew retting in Northern Ireland. A few experiments have been carried out with this process, but it was quickly concluded that no worth-while production would emerge in that direction. The present reaction, therefore, to dew retting is that this method could only be used as an expedient. Naturally, farmers prefer to ret by pond if they have the facilities. Some of them may plant an acreage beyond their pond-retting capacity, in which case they may hold over the surplus for dew retting in the spring when good weather is more likely to be prevalent. Such practice, however, is irregular.

#### POND OR DAM RETTING

Pond or dam retting provided 83 per cent of the 1941 crop from 90,000 acres of flax harvested in Northern Ireland. It is an economical method, as the crop is carried direct from pulling to the water and is also very little exposed to damage from over-handling. Retting ponds are usually created by drawing off the necessary water from a stream running through, or close to, the farm. The pond may be up to 12 feet wide, with the water four feet deep. To ret one acre of flax, however, an area of about 60 square yards is necessary.

The average time taken for retting in the North of Ireland is around nine days, but this depends on the quality of the straw and the suitability and temperature of the water. The process is quicker with warm water and coarse straw. The farmer requires considerable experience to judge correctly just when the retting is complete and yet not overdone. It is difficult to free the fibre from the wood in under-retted straw, and the yield is reduced by the extra scutching necessary, while over-retting weakens the fibre and raises the proportion of tow. If reasonable skill and care are exercised in steeping, a good quality of fibre should result. The straw is not de-seeded before being put into the water, consequently the seed is lost. On the Continent, however, where the climate is not so moist, the flax is allowed to dry in the field after pulling. This method saves the seed.

Farmers in Ireland have tried in vain to dry their flax at harvest time so that they themselves could save the seed without encroaching too much on the late summer period needed for dam retting. Before the present war, experts were brought, with Government assistance, from the Continent, but the results too frequently were damaged crops and seed of little value. With all the scientific help in the world, the growers could not compete with such adverse climatic conditions as obtained in their area. On the other hand, Northern Ireland has been made practically independent of overseas seed, as a result of the factory policy of saving it from the unretted flax which they are now scutching. As soon as this seed is recovered it is dried to an 8 to 10 per cent moisture, then cleaned, treated with disinfectant, and bagged.

*Drying.*—When retting is completed, the flax is taken from the pond and stood up in the field to drain. The "beets" are then untied and the flax spread out on the ground. When dry, the flax is retied into the "beets" and stooked and subsequently built in "shiegs" or "barts". This practice varies on some farms where the "beets", on being taken from the pond, are untied, opened up widely at the base and secured firmly at the head by a band of straw. These



"gaits" are then placed upright, allowing the free circulation of air through the straw. It is claimed that this system saves labour and provides better protection if bad weather intervenes.

#### TANK RETTING

While pond or dam retting is the major method in Northern Ireland, it has almost completely disappeared in Belgium, having given place to tank retting, which is the method employed there by the scutching factories.

When the Flax Development Committee began to function three years ago with a grant of £50,000 a year, many of the flax growers hoped that they would receive some kind of financial assistance, perhaps in the form of a guaranteed minimum price. The Committee felt, however, that the industry had to be put on a more secure basis than would obtain from a perpetual subsidy, and that they could spend the money better in finding out how flax could be grown in Ireland so as to compete in the open market in quality and price with the best that could be bought at Courtrai, the market town where Belgian flax is purchased.

Flax-growers claimed that they could not produce at the prices offered by the spinners. The spinners, on the other hand, felt that they could not compete with spinners on the Continent unless they bought the raw materials in the cheapest market, which was Courtrai, for best quality fibre. That, however, was not the whole story. Northern Ireland farmers not only did not provide the highest quality flax, but they also did not furnish enough second-grade to supply the needs of the spinners, who were, consequently, forced to go to Belgium and Russia for the bulk of their requirements. The total imports into Northern Ireland of flax of good grades during 1938 amounted to 25,431 tons, whereas there was a domestic production of only 4,036 tons. The problem, therefore, was to find out how the Irish system of growing and retting could be improved so that high-grade flax would give a remunerative and an encouraging return to the farmer. So, by research, by experiment and by large-scale commercial trials, the Committee set about its task of finding a solution. Roughly, the aim was to raise the quality and the return per acre of Northern Ireland to that of Belgium.

As Belgians had proved that tank-retting was the most satisfactory system, it was decided to build four-tank retteries at Dromara, Coleraine, Dungiven and Dervock. The tanks at Dromara are each 16 feet 6 inches by 13 feet by 8 feet 6 inches. The others are about the same size, i.e., 1,800 to 2,000 cubic feet. Each tank contains about four tons of de-seeded flax and takes from  $2\frac{1}{2}$  to  $3\frac{1}{2}$  days to process, according to the nature of the straw and the intensity of the retting. The daily capacity of the four tanks is about five tons. Based on that daily average, each factory would turn out 1,500 tons in a year of 300 working days. In actual practice, the production of such a battery of tanks, the output of which might be held back by the turbine scutchers, is slightly smaller than this amount. The area of farm land required to supply such a factory would be about 700 acres. The necessity of following rotation precludes these same 700 acres being used for another five years.

Dam retting demands considerable technical skill, but even with the requisite ability, the farmer who has to dam ret is faced with many disadvantages. He cannot rely on the weather, and the temperature of the water is not constant but varies in the degree of coldness. Tank retting takes place in warm water and is completely under control. Continental tank-retted straw is much more easily scutched and produces a finer flax than the most perfectly dam-retted flax in this country. The scutching mill, equipped with tanks, takes over the retting from the farmer and leaves him only with the cultivation, the pulling and the delivery of the flax. Frequently the mill-owner collects it from the farm.

The tanks erected in Northern Ireland up to the present can only handle from 3,000 to 4,000 acres of straw. The tank-retting system has not yet been accepted as applicable to the whole country, and it has not yet emerged from the experimental stage. From Belgian experience, closed-in tank retting is scientifically sound, but it has to be established yet that it is economically suited to Ireland.

#### WORK OF THE FLAX DEVELOPMENT COMMITTEE

Among the many investigations being carried out was one at Dromara rettery, where 332 acres of straw of the 1938 crop were purchased from the farmers. When dried this crop weighed 473 tons. The seed recovered amounted to 36 tons 18 hundredweights, but, on account of its low germination, it was sold as feed. This flax year was an exceptionally bad one. The seed germinated slowly and there was a wet harvest. It should also be noted that this was the first year that any improvement was undertaken and workers were only partly trained. A considerable allowance, therefore, must be made for the low yield obtained. Nevertheless, a comparison of figures with the results achieved from retting and scutching in Belgium of a shipment of flax straw grown in the Dromara region in the previous year and with Belgian-grown flax is interesting.

The amount of straw, with the seed on, required to produce one hundred-weight of flax was: 1938 crop at Dromara, 2,038 pounds; 1937 Dromara straw processed in Belgium, 1,050 pounds; average Belgian crop, 950 pounds; high-grade Belgian crop, 800 pounds. The percentages of flax yield to retted straw were: 1938 crop retted at Dromara, 9.2; 1937 Dromara straw processed in Belgium, 17; average Belgian crop, 20; high-grade Belgian crop, 24.

The 1938 Dromara crop produced less than  $1\frac{1}{2}$  ton of straw per acre as compared with 2 to  $2\frac{1}{2}$  tons from the average crops in France and Belgium, and the yield of long fibre, instead of being from 70 per cent to 80 per cent of the total fibre, was actually less than the tow.

To obtain first-grade fibre tank-retting must be made successful, but the difficulty of finding an artificial drier for the crop, which will do its full quota of work economically and efficiently, is just another obstacle to be overcome. This is a big factor in the whole question. Unless tank retting can have artificial drying, it will be limited in its work to a small portion of the year when flax can be dried out of doors and that is not good enough. It is essential to dry inside the factory the whole year round to make this system a commercial proposition. One or two retteries claim to be on the right track, but their efforts have yet to be proved.

#### "NATURAL" FIBRE

Early in 1939 the menace of war caused those who were responsible for national defence to institute a plan for the production and processing of flax in its natural state in Great Britain and Northern Ireland. "Natural" or "green" are alternative descriptions for fibre that has been processed without retting. Growers who had no experience in retting, or who had no pond facilities, could then be invited to join in the emergency plan to secure increased flax acreage. Farmers were encouraged to co-operate by a guarantee of a minimum price and by the plea of a contribution to national defence. Northern Ireland set out to raise its acreage from 20,000 in 1939 to 100,000 for the 1941 crop. This goal was not reached, due to unavoidable circumstances in the spring, but 90,000 acres were harvested.

Messrs. Stevenson & Son, Ltd., Dungannon, in co-operation with the Home Office of the British Government, undertook to scutch "natural" flax. The firm entered into engagements with some hundred farmers for the 1939 crop, involving from 500 to 600 acres. Their contracts for 1941 cover nearly 3,000 acres of flax.



The unique feature of the Dungannon scheme was that the company harvested and brought the crop to the factory. Strict control during the preparation of the land and the growing of the crop was exercised by the factory's inspector. Before sowing the land was surveyed, soil analysis taken and fertilizers prescribed. These were generally varying proportions of muriate of potash and ground limestone or hydrated lime. Rotation of flax crops to once in five years was stipulated, as was also the quality and disinfecting of the seed.

### SPINNING

The fibre, on being delivered by the scutcher to the spinner, is further processed in the flax department. It is "roughed" or "pieced-out," to a size usually from 5 to 7 pieces to the pound, when it is ready for the hackling machine. In this machine the pieces are firmly held in metal clamps or holders (2 pieces to each holder) and combed out and the fibres cut or split by a succession of hackles attached to endless revolving sheets. The fibre which is eventually delivered from the machine is called "line," and the short fibre which falls from the machine is called "tow." Sorting, if necessary, is done at this stage and consists of the classification of the "line" according to quality and cleanness, etc.

Spreading follows and this process is used to form the pieces of "line" into a continuous ribbon or "sliver" by placing each piece lengthwise upon travelling leathers, one piece overlapping the next in such a way that a continuous ribbon is formed, after which it is further drawn and doubled on three, four or five drawing frames to reduce the weight to a size more nearly approaching that of the yarn into which it will eventually be spun. It is then drawn again on the roving frame, given a little twist, and wound on bobbins. In this form it is called "rove."

If natural flax is being worked, it is now reeled into hanks and boiled to remove the gum which would otherwise have been eliminated during retting. The boiling of natural flax is only necessary in the case of wet spinning. In Scotland the natural flax is spun dry and the finished yarn is boiled afterwards. Boiling is not done in the case of retted fibre until after spinning. Both natural and retted fibre are spun in the same manner, which consists of the "rove" passing through hot water, which softens the gummy matter, permitting the separation of the ultimate fibre bundles between the drawing and retaining rollers set comparatively close together. The spun yarn is then reeled in hanks, wound on cheeses, or kept in shell form and dried. It is then packed according to trade practice and sold to weavers or merchants.

"Tow" is treated in a similar manner, except that a carding engine is used instead of the spreadboard, and three drawing and doubling frames instead of four or five. If tow combing is done, this takes place between the carding and drawing frames.

Natural fibre coming into the spinners contains up to 40 per cent of straw, whereas retted is all fibre. One ton of retted straw produces up to 22 per cent of fibre as compared with 16 to 17 per cent for the same quality of natural.

### SUMMARY

It is strongly felt that better grades of fibre must be produced in quantity in Northern Ireland and that this task, which includes overcoming the vagaries of retting, can be achieved by research.

The above description of flax growing and its further development in Northern Ireland gives some indication of the large number of problems under investigation by the Government and others interested in the flax, spinning and linen industries.



## TRADE OPPORTUNITIES IN INDIA, BURMA, AND CEYLON

PAUL SYKES, CANADIAN TRADE COMMISSIONER

[Readers of this report are requested to note that it was written and mailed from Bombay a full fortnight before Japan entered the war. While the subsequent course of events has greatly changed the situation as regards the possibilities of trade between Canada and India, it is felt that the report may be of interest to many Canadian exporters for its review of trade opportunities as they existed in India at mid-November.—Ed.]

Bombay, November 22, 1941.—Several recent reports from this office have referred to the restrictive effect of Indian Government regulations on import trade from Canada. Exporters will appreciate as well the retarding influence on business with local markets exercised by Canadian export control. It may be timely, in view of the narrowing scope for business in the territories with which this office is concerned, to review the present situation and offer a few suggestions as to opportunities which are still of value to manufacturing or export interests in Canada.

### INDIA

Canadian exports to India during the past two years have been subject to numerous violent fluctuations but have on the whole shown large increases in value and variety. From a traditional position as one of India's minor sources of supply of imports, Canada has now reached a high rank among such countries. The initial impetus was provided by the elimination of various European countries at the outbreak of war. This led to an immediate demand for many goods that had seldom been shipped to local markets. Further interest in purchases from Canada resulted from the restriction of a wide range of imports from hard-currency countries in May, 1940. A few restrictions were imposed on Canadian trade at the same time and on several subsequent occasions, but these had very little effect on the steadily increasing volume of business. Still further restrictions on imports from the same countries, issued in August last, and the cessation of trade with Japan afforded even greater opportunities to Canadian exporters than had been available up to that time. Canada's export trade to India had, therefore, with a few exceptions been carried on under unusually favourable conditions, the chief features of which were the elimination of competition by the war or by import restrictions against many of the usual countries of supply, and increasing demand resulting not only from the same cause but also from increased industrial production and the equipping and maintenance of large military forces.

Adverse influences affecting the trade took the form of the traditional reluctance of importers and dealers to commit themselves beyond their day-to-day requirements, the difficult shipping position, the disparity in exchange values between the Canadian dollar and the rupee, which is based on sterling, and the purchasing policy of the Indian Government, which prescribes that contracts are to be let whenever possible to domestic suppliers or to Eastern Group countries. This competition, which has frequently been experienced regardless of price considerations, has been most severe.

### PRINCIPAL IMPORTS FROM CANADA

The first two years of the war have witnessed an unprecedented expansion in Canadian trade with India. Imports of Canadian goods into this country have in several recent months been equal to or even in excess of annual values during pre-war years, and the trend has continued steadily upward. Among the more important items in the trade have been motor vehicles, which, although subject to certain import restrictions, are still being imported in large quantities for both commercial and military use; newsprint paper, of which Canada is now practically the only source of supply; tea-chest materials, which have never been

purchased from Canada before but which are now in urgent and extensive demand; machinery of many essential types; various items of military equipment; a wide range of canned and other prepared foods; chemicals of numerous types; soap and other toilet articles; metals; steel pipe; fire hose; whisky; fresh apples; and radio receivers.

#### IMPORT RESTRICTIONS

On September 15, however, as reported in *Commercial Intelligence Journal* No. 1965 (September 27, 1941), page 376, the Indian Government imposed severe restrictions against the import of practically all Canadian foodstuffs, soap and other toilet articles, whisky, beer, toys, games and sports goods, brushes, and numerous other articles of less importance. The regulations took the form of an absolute prohibition in many instances. In others the restrictions will operate with the same result, since importers are unable to provide evidence of having imported the goods from Canada during the basic quota period. This action on the part of the local authorities is understood to have been based to a considerable extent on the exigencies of the exchange situation but may also have contemplated the desirability of reducing India's recent imports of non-essentials or other goods which are available from indigenous sources. The net result has in any case been an immediate and substantial decline in the value of orders being placed with Canadian suppliers and the exclusion of a large number of manufacturers and exporters from trade with this country.

Concurrent with these recent developments in the local import market has been the increasing degree of control exercised by the Canadian Government over many branches of industrial production and export trade. A wide variety of iron and steel products, machinery, rubber manufactures, and miscellaneous industrial equipment can no longer be purchased by Indian importers owing to their inability to produce certificates of essentiality. These are obtainable in comparatively few instances, most purchases where the point arises being arranged through the Indian Government purchasing representatives in the United States. The continued absorption of local stocks of many such materials by the Indian Government may yet lead to a situation in which some alteration in present policies in this particular regard may be necessary. To date, however, export control in Canada has had the effect of delaying or preventing a considerable volume of business in the Indian market.

The combination of these two influences on Canadian exports to India threatens to assume drastic proportions in the early future. Trade values will continue at high levels for some months owing to the lag between the imposition of both import and export control in India and Canada respectively and the actual deliveries of various goods concerned, but before many weeks there is bound to be a noticeable decline in the value and range of Canada's exports to this market. Sales of motor vehicles, newsprint, tea-chest materials, machinery, and certain chemicals are likely to continue in undiminished volume and may even be subject to limited increases, but a large number of other items will disappear entirely from the trade.

#### COMMODITIES IN DEMAND

The scope for trade development in articles which have not previously been exported to this market in the past and which are not subject to import or export restrictions is comparatively limited. From inquiries received from local importers, however, it appears that there are reasonable opportunities for business in such building materials as hard and insulating type wood-pulp boards, plywood, window glass, and roofing materials. Ready-made wearing apparel of many types, handbags, imitation jewellery, novelties, second-hand clothing, and silk and cotton piece-goods offer similar openings. Textile mills supplies, such as bobbins and shuttles and a variety of other wood products, are also in good demand. Chemicals for industrial and photographic purposes as well as for



the manufacture of pharmaceuticals are also required in many forms and substantial amounts. Abrasive wheels, buttons, drinking straws, aircraft parts, leather belting, numerous items of electric equipment, rivets, enamelled ware, upper leather, felt, patent medicines, rubber gloves, Sitka spruce, and oilcloth and linoleum are examples of other goods which continue to be sold to this market and in which business is increasing.

The suggestion is accordingly offered to Canadian firms which are still in a position to consider export business that, despite numerous obstacles, the Indian market is keenly interested in the purchase of supplies from Canada and that all possible advantage should be taken of this situation. Information regarding export control regulations and the restriction of imports into India may be obtained from the Department of Trade and Commerce, Ottawa. The Canadian Trade Commissioner, Bombay is also in a position to supply information on the latter subject. The establishment and consolidation of reliable connections in this market at present will provide a sound basis for continued and improved business in normal times.

### BURMA

Of the three territories with which this office is principally concerned, Burma is at present the only one with which trade can be arranged with a minimum of interference from import and other restrictions. The Burma Government's policy with regard to import control follows closely that adopted in India, but at time of writing restrictions against imports of Canadian products apply only in the case of farinaceous foods, jams and jellies, patent medicines, rubber manufactures, paper and paper products, old newspapers, stationery, motor vehicles, toys, and sporting goods. In the case of some of these items, such as patent medicines, newsprint paper, some rubber manufactures, and motor vehicles, trade is being continued along reasonably normal lines, except that import licences are required for each transaction.

Burma is, of course, of much less value and extent as a market than India. It is difficult also to assess its real importance owing to the absence, until very recently, of statistics of direct exports to overseas markets and imports from sources of supply. Canadian records of shipments to the Burma market still indicate considerably larger values than were ever believed to have been attained prior to the war. The value of exports to Burma during the first six months of the present calendar year was \$1,630,195.

### COMMODITIES IN DEMAND

Among products of interest to Canadian exporters, canned foodstuffs, whisky, gin and beer are all in good demand, and there is a large market for both evaporated and sweetened condensed milk. Drugs, chemicals, patent medicines, and a variety of toilet articles also provide a basis for exports to this territory. Wearing apparel and numerous departmental store lines are of equal interest to Rangoon buyers and agents.

Canadian export firms are reminded that the Burma market, although much smaller than India, is nevertheless of genuine value and interest. Moreover, it is quite independent of India and should be so regarded from the viewpoint of representation. Advantage should be taken of present conditions, wherein many Canadian goods can no longer be sold to India but where trade with Burma is still possible, with the object not only of maintaining contact with this general area but also of establishing or improving connections in this particular part of it through which present and future progress may be achieved.

### CEYLON

The import market of Ceylon, from the Canadian viewpoint, is of little current value. Import and exchange controls, which apply equally to Canada and all countries outside the sterling circle, have operated to restrict purchases of Canadian goods to a few items that are not readily obtainable from other



sources. The value of Canadian trade with Ceylon was never large, the annual value amounting to some \$600,000 to \$700,000, but it has recently dwindled to approximately half of the pre-war total.

It may be explained that import and exchange control in Ceylon is based on Colonial Office policy, which adheres to the same general principles as are observed by the Governments of India and Burma but has been much less flexible as regards trade with Canada than in the case of the latter two countries.

There is no good purpose to be served by recounting the details of Ceylon restrictions against imports from Canada. Exports from the Dominion now comprise little more than occasional shipments of newsprint paper, motor vehicles, and a few other essentials. Exporters can still be assured that maintenance of contacts with their previous connections in the Ceylon market will be appreciated by such firms and that a reversion to normal trading conditions will be accompanied by a prompt renewal of orders for shipment to this territory.

#### TRADE WITH OTHER TERRITORIES

India's and Burma's port and shipping facilities and strategic positions in relation to several other markets have led to receipt in this office of a number of inquiries for Canadian goods from Iraq and Southwest China. These markets were covered in peacetime by the Cairo and Hongkong offices of the Commercial Intelligence Service. The dislocation of normal trade routes and the development of new ones has influenced trends in import trade through Bombay and Basra in the first instance and via Rangoon and the Burma road in the second. A similar situation is anticipated in the case of Iran, which is already importing Indian products via the Persian gulf and the railway through Baluchistan and is likely to require a variety of foreign goods to be supplied through Bombay or Karachi.

Canadian exporters interested in these markets will naturally keep in touch with the Trade Commissioners concerned, while, in the event of shipments being routed through such ports as Bombay or Rangoon, advices sent to this office to such effect will enable co-operation whenever this may be required.

#### EXCHANGE RESTRICTIONS

The situation with regard to exchange regulations in India, Burma, and Ceylon has by now crystallized, so far as import business is concerned, to a point where Canadian dollar exchange is available whenever import licences have been issued or, in the case of goods which are not subject to restriction, whenever applied for in the prescribed manner. The experience of this office for a considerable time past has been that the local exchange control authorities provide all possible facilities to importers of Canadian products when such trade is permissible, and exporters concerned with sales to these markets need feel no apprehension over this aspect of the business.

### THE WAR AND WORLD TRADE

PREPARED BY THE INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF STATISTICS

The structure of world trade has been altered by the war, which has brought about a cessation of all exchange between many countries and the complete transformation of the trade which continues. The accompanying table, which gives trade statistics of fifteen leading countries for 1938, indicates the way in which the first of these has operated. The figures are taken from the League of Nations publication "International Trade Statistics," and have been converted into millions of Canadian dollars.

Total imports of the fifteen countries amount to about \$19 billion out of total world imports of \$24 billion. Asterisks indicate that part of the flow of trade which has now been stopped. The table merely points out the obvious effects

of the war: that Germany and Italy are confined to trade with Europe; that Japan, due to its position, since making war has been cut off from trade with all the other fourteen countries listed in the table; that neutrals trade with all countries except in so far as they are prevented by blockade or counter-blockade. The figures of trade between pairs of countries which are marked with asterisks in the table total about \$4½ billion, or over 35 per cent of the total of \$11½ billion shown in the table.

Needless to say, the remaining two-thirds of the trade indicated in the table has been vastly transformed since 1938. International exchange on the continent of Europe is now part of the administration of the Nazi "New Order", compelling subject peoples to provide supplies for the German war

machine. On the Allied side, external trade has been freely converted, along with the other sections of each country's economy, into those fields which will best support the war effort. Thus, although five-sixths of Canadian external trade in 1938 was with countries still accessible, all of Canada's trading activities have been oriented towards the prosecution of the war. Imports from the United States for 1941 are 2½ times those of 1938. Exports to the United Kingdom have likewise increased enormously. Emphasis in both import and export trade has been shifted; the former being now largely made up of basic materials for the war effort, and in the latter purely commercial goods have given place to the sinews of war.

FOREIGN TRADE OF FIFTEEN COUNTRIES IN 1933

Importing Country	Exporting Country															Total Trade
	Argentina	Australia	Belgium	British India	Canada	France	Germany	Italy	Japan	Nether-lands	New Zealand	Sweden	South Africa	United Kingdom	United States	
Figures in millions of Canadian Dollars																
Argentina.....	0.3	0.0	24.0*	20.4	6.2	20.1*	47.2*	25.7*	15.1*	8.9*	0.2	6.4	0.0	85.3	82.1	465.3
Australia.....	160.4*	110.6*	4.5*	12.1	31.7	3.8*	16.4*	3.3*	25.0*	2.8*	7.8	6.1	1.1	182.0	69.9	438.6
Belgium.....	0.0	0.0	1.1*	101.8*	52.8*	564.9	441.6	36.2	17.3*	353.2	1.4*	78.0	35.8*	311.9*	434.8*	3936.1
British India.....	2.1	9.0	6.2*	8.2	0.3	0.5*	4.7*	1.0*	5.7*	0.5*	0.1	3.4	0.1	17.7	4.2	56.5
Canada.....	27.1*	43.7*	91.3	36.8*	17.9*	6.1*	9.9*	2.6*	4.6*	3.8*	4.6	2.1	2.0	119.3	424.8	677.5
France.....	87.2*	21.8*	78.4	65.8*	29.5*	58.2	95.2	10.6	10.6*	34.3	4.0*	18.8	11.9*	93.6*	151.3*	1328.9
Germany.....	14.3*	11.3*	9.0	14.2*	2.2*	13.1	13.1	99.8	10.1*	80.0	3.5*	105.8	49.3*	114.3*	163.6*	2200.9
Italy.....	6.9*	23.7*	4.3*	52.4*	26.0*	4.0*	157.7	1.7*	1.6*	7.1	0.0*	9.6	5.2*	37.2	69.6*	588.5
Japan.....	35.4*	1.3*	89.7	14.9*	12.5*	35.9	48.9*	1.7*	1.1*	1.1*	2.3	6.5*	2.9*	18.0*	261.8*	761.9
Netherlands.....	0.1	28.4	2.1*	5.2	19.2	0.9*	166.4	7.2	4.0*	1.1*	0.6	16.5	1.9*	13.0*	87.2	782.4
New Zealand.....	9.8	1.4	18.9	2.5	1.1	15.5	123.3	0.6*	4.8*	1.1*	0.3	1.6	0.4	105.2	27.2	219.6
Sweden.....	1.9	4.0	16.1*	7.6	16.9	5.3*	38.1*	7.7	3.2*	29.1	0.1	7.9	0.9	95.4	85.3	524.1
South Africa.....	189.3	354.5	91.4*	245.8	386.4	116.0*	148.5*	35.4*	13.7*	7.3*	230.1	120.9	74.7	203.6	81.9	470.7
United Kingdom.....	41.2	9.0	42.2*	59.3	261.4	54.3*	65.4*	41.2*	47.7*	144.1*	5.7	45.2	16.1	118.6	580.7	4325.2
United States.....																1971.8

\* Trade presumably ceased owing to hostilities.



## NEWSPRINT IN THE UNITED STATES IN 1941

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, February 6, 1942.—A recent report by R. S. Kellogg, Secretary of the News Print Service Bureau at New York, indicates that, while the war and the United States defense program during 1941 affected the paper industry, as they did almost every other industry, the result was favourable in that it increased the demand for paper products. The North American production of newsprint paper was about 2,000 tons over that of 1940, and United States production increased by 1,475 tons or 0.1 per cent. Both exports and imports showed gains over the previous year's figures. Consumption of newsprint paper was above that of 1940, although newspaper advertising increased only 3.5 per cent, and there was very little change in the size of daily and Sunday papers. Stocks on hand at the mills were at their lowest point since December, 1937, while publishers' stocks were considered adequate.

### PRODUCTION

According to the News Print Service Bureau, the production of newsprint paper in 1941 showed a slight increase over that of 1940 and was the highest since 1931. The United States output amounted to 1,104,912 tons, a gain of 1,475 tons, or 0.1 per cent, over the 1940 production of 1,013,437 tons, and accounted for 21 per cent of the North American production of 4,785,577 tons. The large production during the past year was stimulated by an increase in the use of newsprint outside the newspaper publishing field, an increase in exports to overseas markets and the decline in imports from European sources.

### IMPORTS

Despite the fact that the United States has imported practically no newsprint from Europe in 1941, this country has been able to meet its needs by increasing imports from Canada and Newfoundland as well as by increasing domestic production. Although United States import figures have not been issued since September, it is estimated from Canadian figures that the imports of newsprint paper from Canada in 1941 amounted to 2,762,000 tons as against 2,586,000 tons in 1940, a gain of 6.8 per cent. According to the reports from the Newfoundland mills, it is estimated that shipments from Newfoundland to the United States were about 217,000 tons as compared with 147,000 tons in 1940, an increase of 47 per cent.

### EXPORTS

As in the case of import statistics, the exact export statistics are not available. However, according to reports received by the News Print Service Bureau from the United States manufacturers of newsprint paper, it is estimated that exports totalled approximately 25,000 tons of standard newsprint paper in 1941. The Department of Commerce reports that up to September, 1941, exports of all newsprint paper from the United States amounted to 55,000 tons. If this ratio held during the balance of the year, the total 1941 shipments abroad would approximate 73,000 tons, the largest record of newsprint exports in any year since 1919. (It should be noted, however, that a large part of the officially reported exports was not of standard newsprint.)

### STOCKS ON HAND

Shipments of newsprint paper from the mills in 1941 amounted to 1,020,781 tons, leaving 7,586 tons, the lowest amount since December 31, 1937, as mill stocks at the close of 1941 as against 13,455 tons at the close of 1940. Publishers' stocks on hand as of December 31, 1941, were placed at 385,472 tons, a 44-day supply, and were 8.1 per cent over the 356,472 tons or 43-day supply on hand on December 31, 1940. Although mill stocks are considered very low, the 44-day supply in the hands of the publishers is considered adequate.



## CONSUMPTION

It is estimated that 3,930,000 tons of newsprint were consumed in 1941 as compared with 3,730,000 tons in the previous year, an increase of 5.3 per cent. The consumption of newsprint paper by the publishers reporting to the American Newspaper Publishers Association during 1941 was placed at 2,947,000 tons as compared with 2,856,000 tons in 1940, a gain of 3.2 per cent. The increase in consumption by the publishers was attributed to a gain of 3.5 per cent in the volume of newspaper advertising over the 1940 volume as well as to the increase in the average size of Sunday newspapers from 86 to 88 pages in 1941. The average size of daily newspapers remained at 27 pages, the same as in 1939 and 1940. There was also a 2 per cent gain in newspaper circulations over the 1940 figures.

In view of the fact that the total gain in newsprint consumption was greater than the increase in consumption by the newspaper publishers, it is reasonable to assume that, due to the strong demand for paper of all kinds and the threatened shortage of some kinds, greater use than normal was made of newsprint paper outside the printing field.

## OUTLOOK

As in the case of most industries, the paper industry will undoubtedly be affected by the gigantic war program of this country. However, at present it is impossible to say whether or not the newsprint paper industry will be subject to government control. It is felt that of all the grades of paper, some of which have already been placed under government control, newsprint paper is least likely to be affected.

It is anticipated that consumption of newsprint paper in 1942 will remain at about the same level as in 1941 unless government controls intervene. Newspaper circulations will stay at high levels but may be offset by a lower volume of newspaper advertising. However, it is apparent that there will be an increase in consumption of newsprint to offset a decline in the use of rotogravure paper. In addition, the increased demand for all types of paper and the possible shortage of some kinds may result in further use of newsprint paper in other fields.

On the other hand, the industry is faced with increased delivery costs, higher production costs, and taxes, which eventually may bring about further increases in the selling price of newsprint paper.

## MEXICO'S IMPORTS FROM JAPAN

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, January 26, 1942.—In view of the fact that Mexico has now severed relations with Japan, a short résumé of the trade during the first six months of 1941 will serve to indicate the opportunities afforded Canadian exporters to take advantage of the market demand for commodities formerly supplied by that country.

Imports from Japan into Mexico during the first six months of 1940 and 1941 were as follows:—

*Mexican Imports from Japan*

	1940 Kilos	1941 Kilos
Mother-of-pearl buttons . . . . .	3,517	4,313
Brushes . . . . .	13,985	5,573
Ordinary plywood . . . . .	493,590	332,411
Pencils and leads . . . . .	36,644	40,898
Spun artificial silk . . . . .	790,284	832,073
Celluloid articles, n.o.p. . . . .	6,094	5,543
Celluloid in sheets . . . . .	61,929	27,794
Cellophane paper . . . . .	49,875	21,412
Sockets, fuses and rosettes for electrical installations	13,153	20,592

*Mother-of-pearl Buttons.*—These might now be supplied by Canada, although the price will be much higher than that quoted by Japanese exporters.

*Brushes.*—The brushes supplied by Japan were mostly cheap shaving and paint brushes for use by the native population.

*Veneers and Plywood.*—A good opportunity would be afforded Canadian firms to take advantage of the cessation of Japanese supplies of veneers and plywood, if supplies were freely available for export. [Permits have been required to export veneers and plywood from Canada since January 22—Ed.] Mexico is not a quality market, and price is the principal factor affecting sales. This made the Japanese Lauan product popular, of which two brands, the "Nitta" and the "Veneerco" are well known on this market. The product offered is second grade, with thicknesses of 3 mm. and 4 mm. The sizes in demand are 72 inches by 36 inches, 48 inches by 60½ inches, and 48 inches by 72 inches. This plywood was shipped from Japan in iron-hooped crates containing 35 or 50 pieces each. The quantity of first-class plywood supplied by Japan, such as "Okume", was limited.

*Pencils and Leads.*—Japan supplied large quantities of pencils and pencil leads of inferior quality.

*Celluloid Articles and Sheets.*—It is improbable that the demand for celluloid products and sheets can be met by Canadian producers. However, there is a market for cheap combs of the type favoured by the Indians and natives. This is a round 5-inch comb made of plastic material.

*Cellophane Paper.*—Canada cannot meet the demand in cellophane paper formerly obtained from Japan.

*Electrical Fittings.*—The electric sockets and other fittings obtained from Japan were of very poor quality and were handled by Indian stores and markets; it would be impossible for Canada to supply a substitute product.

## IMPORT TRADE OF EL SALVADOR

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one quintal equals 100 kilos.)

Mexico City, January 24, 1942.—The import market of El Salvador follows closely on the same lines as those of the other Central American republics. Canada's main opportunities in this market are in wheat, newsprint, malt and hops, leather, whisky, and calcium carbide. There are limited opportunities for the sale of many other lines which could be further developed, such as rubber goods, including tires; drugs and medicines; textiles; underwear; hosiery; and, when times become normal, constructional iron and steel, electric wire, electrical appliances, machinery, hardware, and radios. Owing to climatic conditions, there is no market for furs. The preponderance of the United States in the import trade of El Salvador must be borne in mind when considering the possibilities of this market.

### WHEAT

There are three modern mills in El Salvador, all of which import wheat. It should be noted that the new customs agreement between El Salvador and Guatemala no longer includes wheat and flour, consequently the possibility of El Salvador being swamped with Guatemalan flour no longer obtains, and the country will continue to grind its own flour. The type of wheat imported into El Salvador is Alberta Red Winter. Manitoba wheat is not in demand, as it is considered by local bakers to be too strong. At present the mills seem to have substantial stocks on hand. As these mills have no silos, they store their wheat in bags in go-downs. Their stocks are therefore limited, owing to the difficulty of storage under adverse conditions. Wheat is shipped to El Salvador

in double bags and, on account of the high duty, imports are of good quality. Canada is at a disadvantage in shipping to this market, since there are no direct steamship services from the Dominion to El Salvador.

#### PRODUCTION AND IMPORTS

Little wheat is sown in the republic, as neither climate nor soil is conducive to the production of a satisfactory wheat, it being too soft and also deficient in gluten. The majority of the population prefer maize to wheat. In 1940, wheat production totalled 2,126,527 kilos as compared with 2,507,191 kilos in 1939 and 2,256,230 kilos in 1938.

The following table shows the imports of wheat into El Salvador by countries of supply for the years 1938 and 1939:—

#### *Imports of Wheat into El Salvador*

	1938 Kilos	1939 Kilos
Canada .. . . .	138,115	.....
United States .. . . .	5,441,992	7,318,468
Honduras .. . . .	73,113	173,116
Total .. . . .	5,653,220	7,491,584

The maximum productive capacity of the three chief flour mills of the country amounts to about 1,000 quintals a day, but this is never attained. The grade of wheat required for this market must have from 12 to 13 per cent protein content. From Canada the mills have been buying Alberta Red Winter No. 1, if obtainable, otherwise No. 2.

The leading miller in El Salvador is in the market for a sample shipment of a soft wheat which might replace Alberta Red Winter; a one-ton shipment should be offered at a suitable price. The bran from wheat ground in El Salvador is shipped out as a rule to Costa Rica, since there is no domestic market for bran. The duty on wheat imported into El Salvador is U.S.\$5 per quintal.

#### PAPER

Imports of newsprint into El Salvador in 1938 and 1939 were as follows:—

#### *Imports of Newsprint into El Salvador*

	1938 Kilos	1939 Kilos
Germany .. . . .	312,959	1,646,026
Canada .. . . .	63,710	235,810
United States .. . . .	161,311	233,382
Czechoslovakia .. . . .	.....	1,030
France .. . . .	3,340	17,176
Finland .. . . .	295,166	140,581
Great Britain .. . . .	175,608	.....
Norway .. . . .	99,881	158,361
Sweden .. . . .	189,992	78,993
Holland .. . . .	.....	3,112
Total .. . . .	1,301,967	2,514,553

The following table shows the imports of wrapping paper from principal countries into El Salvador in 1938 and 1939:—

#### *Imports of Wrapping Paper into El Salvador*

	1938 Kilos	1939 Kilos
Total .. . . .	98,829	125,235
Germany .. . . .	9,686	32,906
Belgium .. . . .	6,178	11,622
Canada .. . . .	4,164	569
Czechoslovakia .. . . .	7,135	2,264



*Imports of Wrapping Paper into El Salvador—Concluded*

	1938 Kilos	1939 Kilos
Esthonia . . . . .	2,617	.....
Denmark . . . . .	.....	113
United States . . . . .	21,787	30,467
Egypt . . . . .	304	.....
France . . . . .	545	1,051
Finland . . . . .	16,458	9,297
Great Britain . . . . .	641	242
Holland . . . . .	1,157	677
Lithuania . . . . .	.....	1,900
Norway . . . . .	3,367	3,117
Sweden . . . . .	24,322	30,962

Imports of carbon paper into El Salvador by principal sources of supply in 1938 and 1939 were as follows:—

*Imports of Carbon Paper into El Salvador*

	1938 Kilos	1939 Kilos
Total . . . . .	1,541	2,236
Germany . . . . .	790	709
Austria . . . . .	327	.....
United States . . . . .	424	.....
France . . . . .	.....	186

The following table shows the imports of toilet tissue into El Salvador by principal countries in 1938 and 1939:—

*Imports of Toilet Tissue into El Salvador*

	1938 Kilos	1939 Kilos
Total . . . . .	16,500	16,224
Germany . . . . .	892	.....
United States . . . . .	8,603	6,631
Finland . . . . .	6,924	9,528
Great Britain . . . . .	66	65

Imports of manufactured paper and cardboard into El Salvador by principal countries in 1938 and 1939 were as follows:—

*Imports of Manufactured Paper and Cardboard into El Salvador*

	1938 Kilos	1939 Kilos
Total . . . . .	53,468	62,160
Germany . . . . .	15,220	16,382
Canada . . . . .	205	62
Czechoslovakia . . . . .	396	149
Cuba . . . . .	279	.....
United States . . . . .	36,348	43,733
France . . . . .	177	40
Great Britain . . . . .	523	569
Guatemala . . . . .	14	133
Honduras . . . . .	4	184
Italy . . . . .	1	379
Mexico . . . . .	241	207
Panama . . . . .	17	95

Importers in El Salvador have shown a keen interest in Canada as a source of supply for all types of paper, and numerous inquiries have been received recently by the Trade Commissioner's office. It is probable that this business can be handled to the best advantage through export houses rather than directly from the manufacturing establishments.

Besides newsprint there are possibilities for the sale of Canadian carbon, packing, and toilet paper. Inquiries have also been received for bank-note paper, both plain and engraved for submission to the local treasury.

## MALT AND HOPS

Imports of malt and hops into El Salvador were as follows in 1938 and 1939:—

*Imports of Malt and Hops into El Salvador*

	1938 Kilos	1939 Kilos
Canada . . . . .	50,908	129,296
Czechoslovakia . . . . .	155,575	135,160
Hungary . . . . .	6,145	93,760
Germany . . . . .	.....	1,734
United States . . . . .	.....	33,489
Total . . . . .	212,628	393,439

While Canadian malt is well known and favoured, the principal local brewery is interested in obtaining a trial shipment of 20 kilos of Canadian hops, in order to determine their suitability. It should be borne in mind that hops must be packed in tin-lined cases for shipment to this market; packing in waterproof paper in double jute sacks is never satisfactory. Prices for malt have been around U.S.\$9.90 per 100 kilos c.i.f. Puerto Barrios and hops are quoted at U.S.\$70 per 50 kilos c.i.f. San Jose.

## LEATHER

Recently a considerable volume of Canadian upper leather has been purchased by importers in El Salvador. In 1940 the United States supplied 85.5 per cent of the total Salvadorean leather imports. Undoubtedly Canada can improve its sales of leather, provided stocks are available.

In Salvador there are fifteen small tanneries and twenty household plants producing leather. The main local production is of sole leather, and therefore there is no market for imported leather of this kind. A number of small establishments turn out an inferior type of leather goods that is well known in all Latin American countries, principally for sale to tourists. The local industry is in a position to produce harness equipment, straps, and leather bags, and some fairly good shoes for the luxury trade are also manufactured.

Leather imports into El Salvador from principal countries in 1938 and 1939 are shown in the following table:—

*Imports of Leather into El Salvador*

	1938 Kilos	1939 Kilos
Total . . . . .	75,443	75,635
Germany . . . . .	7,269	9,112
Czechoslovakia . . . . .	3,091	4,226
United States . . . . .	59,423	48,644
Great Britain . . . . .	404	1,211
Holland . . . . .	304	1,231
Hungary . . . . .	4,819	11,126
Italy . . . . .	119	.....

## LUMBER

Total lumber imports into El Salvador are small, although the country lacks wood. In 1940 the United States shipped 250,000 feet board measure valued at U.S.\$20,750, and Guatemala supplied 90,000 feet valued at U.S.\$3,839. The United States supplies about 93 per cent of the total lumber imports. The requirements of this market, however, have always been small. Although El Salvador is short of wood, it has been able to meet most of its small requirements.

All furniture is made locally from native hardwood, and imported lumber is chiefly used in the construction work. Since the country is in the earthquake



zone, the use of wood in buildings is limited; concrete has replaced wood construction. The Indians, mostly agricultural workers, live in adobe huts or in "bajareques" (booths of palm leaves) having mud walls reinforced with cane and saplings. Beams and other wooden reinforcements for concrete work are chiefly made from domestic lumber. There is, therefore, no market for Canadian hardwood, and only a small opportunity for the sale of softwood lumber for the building trade. Imports consist principally of California redwood lumber and Douglas fir plywood. The local electric company uses California redwood poles for carrying its lines.

#### AUTOMOBILES

Purchases of automobiles depend on the movement of the local coffee market. Shipments of European automobiles ceased in 1939 owing to the outbreak of war, and by the end of that year the local stocks of these unsold cars were exhausted. With purchases limited to American types of automobiles and a very sensitive coffee market prevailing, there was a reduction in automobile sales. Of the 221 American passenger cars imported in 1940, 98 were low-priced, 115 were medium-priced, and 8 were expensive cars.

When the Salvadorean Government is out of the truck market, sales always fall off. There is, however, a large market for auto buses in the rural districts. As a rule the majority of the heavy buses are of European construction and are generally of the Diesel type. The light truck field has always been an American monopoly. British-made motorcycles have always been preferred to those of American make. The army and the police force use a few of these, but purchases have fallen off completely since the war began.

Imports, by weight, of automobiles into El Salvador in 1938 and 1939 are shown in the table below:—

#### *Imports of Automobiles into El Salvador*

	1938 Kilos	1939 Kilos
Great Britain . . . . .	.....	1,500
Germany . . . . .	27,164	44,820
United States . . . . .	322,567	367,243
France . . . . .	1,300	.....
Guatemala . . . . .	5,825	1,600
Italy . . . . .	10,202	10,822
Honduras . . . . .	.....	1,200
Total . . . . .	367,058	427,185

#### CONSTRUCTION MATERIALS

Difficulties continue to be encountered by local importers in obtaining deliveries of much needed foreign construction materials. When the war broke out, there was considerable construction activity both private and governmental. The government road-building program and the erection of a large suspension bridge for the Pan-American highway over the Lempa River have resulted in heavy imports.

The situation with respect to uncertain delivery is particularly acute in the case of iron sheets and rods, galvanized iron pipe, electrical supplies and equipment, and manufactured metal articles. The following items are in demand: mild round steel bars,  $\frac{3}{16}$ -inch diameter and up, 22- to 24-foot lengths; deformed bars,  $\frac{3}{16}$ -inch diameter and up, 22- to 24-foot lengths; black sheets,  $\frac{1}{16}$  inch thick and up to 24BG, 36 by 72 inches; galvanized plain sheets, 26, 28 and 30BG, 36 by 72 inches and 36 by 108 inches; galvanized corrugated sheets, 2 $\frac{1}{2}$ - or 3-inch corrugations, 6 to 9 feet long; black wire, 1 to 3 mm. diameter; standard

and black galvanized pipe,  $\frac{1}{2}$ -inch diameter and up; galvanized conduit pipe,  $\frac{1}{2}$ -,  $\frac{3}{4}$ - and 1-inch diameter, 10-foot lengths; galvanized poultry netting, all gauges.

#### ALCOHOLIC BEVERAGES AND LIQUEURS

Before the war Canada supplied practically no whisky to El Salvador. The market for whiskies and gins was entirely in the hands of British firms. However, there being no Scotch whisky available from the United Kingdom since the war began, there has been a demand for the Scotch type of whisky produced in Canada. Shipments from the Dominion amounted to 60 proof gallons in 1939 and rose above that figure in 1940.

The wine and the liqueurs trade is entirely in the hands of French exporters. There is a small market for gin.

Imports of alcoholic beverages and liqueurs into El Salvador from principal countries in 1938 and 1939 are shown in the following table:—

#### *Imports of Alcoholic Beverages into El Salvador*

	1938 Kilos	1939 Kilos
Total .....	120,398	121,147
Germany .....	120	365
Belgium .....	705	.....
Canada .....	4	701
Cuba .....	39	.....
Colombia .....	.....	40
Denmark .....	149	156
United States .....	150	1,407
France .....	21,996	10,205
Spain .....	.....	270
Great Britain .....	93,542	106,615
Holland .....	150	.....
Italy .....	505	178
Mexico .....	3,018	845
Peru .....	.....	64

#### RUBBER GOODS

The principal imports of rubber goods into El Salvador comprise tires and inner tubes. Following are the figures by principal countries for 1938 and 1939:—

#### *Imports of Rubber Goods into El Salvador*

	1938 Kilos	1939 Kilos
Tires—		
Total .....	81,302	104,030
Germany .....	36	2,234
Canada .....	11,029	15,326
France .....	415	2,934
United States .....	68,464	82,128
Great Britain .....	1,239	1,180
Panama .....	103	77
Italy .....	.....	127
Inner tubes—		
Total .....	10,080	13,950
Germany .....	218	360
Canada .....	1,097	1,753
United States .....	8,545	10,978
France .....	105	493
Great Britain .....	112	341

Imports of various unspecified manufactured rubber articles amounted to 31,229 kilos in 1938 and to 24,043 kilos in 1939. Imports of rubber-cloth articles amounted to 1,077 kilos in 1938 and to 519 kilos in 1939. Apart from tires, the market for rubber goods is limited. The trade in druggists' rubber goods is in the hands of American exporters.



## NOTES ON TRADE AND INDUSTRY

### FOREIGN TRADE OF BRAZIL, JANUARY-SEPTEMBER, 1941

During the January-September period of 1941 imports into Brazil were valued at 3,917,644 contos and exports from Brazil at 4,828,494 contos, making a visible trade balance of 910,850 contos in favour of Brazil. For the corresponding period of 1940 Brazil's imports were valued at 3,952,446 contos and exports at 3,710,951 contos, leaving a trade balance of 241,495 contos against Brazil. As compared with the first nine months of 1940, imports in the January-September period of 1941 declined by one per cent and exports increased by about 30 per cent in value.

Chief decreases in Brazil's imports were in iron, steel and their manufactures; textiles; petrol, fuel oils and lubricants; and coal and coke. Increases were recorded in purchases of generators, motors and other electrical machines; other machinery, tools, etc.; motor cars, lorries, chassis, etc.; and accessories for motor vehicles. Gains were recorded for many export items, the larger ones being for shipments of raw cotton, hides and skins, carnauba wax, cocoa, vegetable oils, diamonds, cotton textiles and "other" manufactured articles.

According to the Brazilian trade figures, Canada occupied sixth place as a supplier of goods to Brazil and fourth place as a market for Brazilian products during this period. The eight leading suppliers to Brazil, in order of importance, were: the United States, Argentina, United Kingdom, Netherlands West Indies, Japan, Canada, Germany and Portugal.

### CONTROL OF MATERIALS FOR MANUFACTURE IN SOUTH AFRICA

Government regulations (in South Africa) now fix the use of tinplate in the manufacture of many articles, especially containers, for the packing of foodstuffs, jams, cigarettes, face powder, shaving sticks, etc. Paint industries, biscuit manufacturers and others are asked to arrange for the prompt return of the large sizes of containers. The use of aluminium is now rigidly controlled in the Union, and the metal may not be used in the manufacture of any article without the permission of the Minister of Commerce and Industries. Regulations for the control of ship repairs at Union ports provide for the appointment of a Controller of Ship Repairs, to whom details of repairs must be submitted. The Controller will determine which repairs shall be executed; he may order any person at the port to effect the repairs, and he may decide the order of priority in which work on vessels must be performed.—*The Chamber of Commerce Journal*.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### INDIVIDUAL IMPORT LICENCES REQUIRED FOR ESSENTIAL OILS

Notice to Importers No. 147 issued by the Import Licensing Department of the British Board of Trade announces the revocation as from January 15 of the open general licence which permitted the importation without separate licences of essential oils, natural or synthetic, including terpeneless oils and mixtures thereof, from the British Empire (provided a claim to Imperial preference was established), and from specified non-Empire territories.

From the date mentioned, therefore, separate licences will be required for each shipment of essential oils; but this does not apply to goods proved to have been dispatched to the United Kingdom before January 15, 1942, and which are imported into that country before March 15, 1942. Application for licence is

to be made by the importer to the Import Licensing Department, Board of Trade, 1-6 Tavistock Square; London, W.C. 1.

The Notice directs the attention of importers to the fact that turpentine is now subject to licence on importation from any country except Eire.

### Jamaica

#### IMPORT LICENCES FOR GIFTS

F. W. Fraser, Canadian Trade Commissioner at Kingston, reports that an order has been made by the Competent Authority permitting entry into Jamaica without import licence of bona fide gifts of a c.i.f. value of £2 sterling or \$10 United States currency or \$11 Canadian. Formerly import licences were required for gifts, except when imported from the United Kingdom by parcel post and having a value of not more than £10 sterling.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 16, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Feb. 16, 1942, and for the week ending Monday, Feb. 9, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 9	Nominal Quotations in Montreal Week ending Feb. 16	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2282	.2282	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2620	.2615	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6327	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5855	.5859	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	—
Straits Settlements . . . . .	Dollar	.5678	.5205	.....	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

New Glasgow, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Sarnia, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Edmonton, Alta.

Winnipeg, Man.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Raincoats of Waterproof Cloth (for April Delivery).....	3761	Guatemala City, Guatemala.....	Agency.
Sewing Thread (Made of Spun Silk as well as of Cotton)....	3787	Tipperary, Eire.....	Purchase.
French Pharmaceutical Products.	3794	San Salvador, El Salvador.	Agency.
Leather Belting.....	3797	San Salvador, El Salvador.	Agency.
Glass Tubing for Neon Signs....	3800	Sydney, Australia.....	Purchase and Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* J. C. Britton, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER

BUY YOUR SHARE IN VICTORY



## SOUTH AFRICAN WHEAT AND FLOUR SITUATION

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, December 22, 1941.—Drought conditions in the Orange Free State and excessive rains in the Southwestern Cape, South Africa's principal wheat-producing areas, have combined to bring both the quantity and quality of the Union's 1941-42 wheat crop below average. The most recent official estimate based on conditions prevailing at the end of November last, gives a probable yield of 14,733,000 bushels, which is about 233,000 bushels more than was estimated a month before. The average annual production since 1934-35 has been 16,333,150 bushels.

A Wheat Control Scheme was introduced in 1930, which subsidized domestic production and restricted imports. Despite this measure, the country has been unable to reach its objective of self-sufficiency and, except on a few occasions when the harvest has been exceptionally large, supplementary imports have been necessary. The appended figures show the volume of wheat production both before and after it became a state-aided industry.

### *South African Production of Wheat*

	Bushels		Bushels
1910-11 . . . . .	3,867,716	1934-35 . . . . .	16,936,416
1915-16 . . . . .	7,309,800	1935-36 . . . . .	23,709,150
1920-21 . . . . .	7,763,366	1936-37 . . . . .	15,419,633
1925-26 . . . . .	9,209,633	1937-38 . . . . .	10,156,666
1930-31 . . . . .	9,552,066	1938-39 . . . . .	17,093,333
1931-32 . . . . .	14,109,700	1939-40 . . . . .	16,510,000
1932-33 . . . . .	10,875,333	1940-41 . . . . .	16,240,000
1933-34 . . . . .	11,761,933	1941-42 . . . . .	14,733,000

Over the greater part of the Union the sowing of wheat begins in April and continues until June. Harvesting takes place from October to December, the bulk of the threshing being done from November to February. Approximately 65 per cent of the wheat crop is grown in the Cape Province, mostly in the southwestern area. The Orange Free State accounts for about 25 per cent of the total, the balance coming from the Transvaal.

A special study made at the time of the 1934-35 agricultural census showed that out of 31,212 farms there were 15,057 producing less than 133 bushels each, 6,902 producing from 166 to 330 bushels, 1,660 producing from 1,666 to 2,222 bushels, and 1,004 farms producing more than 2,222 bushels.

According to the agricultural census of 1938-39, the total area sown with wheat was 2,028,352 acres, and the total area harvested was 1,856,776 acres. The average yield per acre during the same period was approximately 9.2 bushels.

Modern agricultural machinery is used on the larger wheat farms. South African wheat is not handled in bulk but is packed in bags of 200 pounds.

### WHEAT VARIETIES

The wheat produced in South Africa has a low gluten content. Millers are forbidden to use any chemical strengtheners, and as a consequence the quality of the flour milled in this country is very low. No standard variety of wheat is produced. In the Western Cape Province, the principal growing area, a type known as Pilgrim accounts for 58 per cent of the total crop. It is followed by Sterling, 12 per cent; Vondeling, 12 per cent; and Spring Early, 8 per cent. Elsewhere in the Cape Red Egyptian accounts for 12 per cent of the crop; Wolkoring for 7 per cent, and Oubaard for 7 per cent. The remainder of the production is distributed among seventy-four different wheat varieties.

In the Orange Free State, Red Egyptian, Rooi Lama and Bontar account for the bulk of the production, while in the Transvaal the leading varieties are Lalkasarwali and Rooi Kleinkoring.



Attempts have been made to introduce Canadian seed wheat into South Africa, with a view to developing and raising the standard of production, but without success. In most areas it succumbs to rust, although a measure of success is reported from a few localities.

### QUALITY OF WHEAT

An official report on the baking qualities of South African wheat varieties, based on tests made at the Stellenbosch-Elzenburg College of Agriculture, states that only 28 per cent of the wheat produced in the Union is of satisfactory baking quality. Four per cent is of mediocre quality, and 45 per cent of poor quality. The quality of the remainder is not known.

Of the wheat produced in the Western Cape the bulk is inherently of poor quality, and only a small proportion is potentially of good quality. Pilgrim, for instance, mills very easily and has a flour yield of about 70 per cent. Diastatic activity is weak (1.0 per cent) and water absorption low (71 per cent). The dough is completely lacking in elasticity and is very extensible. It is unable to stand long fermentation, has no oven spring and gives a very small volume of loaf (1,370 c.c.). The crown is usually flat or collapsed, and tears are absent. The crumb colour is poor, and the texture coarse and dense. This Pilgrim type wheat, together with Vondeling and Depressie, of equally low baking quality, represents 73 per cent of the production of the Western Cape which, in turn, is the country's principal wheat-growing area.

### CONTROL OF GRAIN TRADE

The interest of the State in the production of wheat in South Africa goes back to 1917, when a Select Parliamentary Committee was formed to inquire into and report on what steps could be taken to increase the production of food within the Union. At the outset use was made of the customs tariff to protect the wheat-growing industry. This was not enough, however, to raise the local price to a sufficiently high level, and in 1930 was implemented by legislation placing the importation of wheat and flour under permit. In addition to these quantitative regulations it was further subsequently decreed that the landed values of imported wheat and flour must be maintained at 22s. 6d. and 37s. respectively per bag of 200 pounds. This was made possible by the imposition of special variable duties superimposed on the original import duties. These measures alone, however, failed to bring stability to the industry. This was due to the variations in annual production, whereby at times the crop was exceeded by the consumption demands while in other years there was a deficiency. Concurrently there is very little elasticity in the demand for wheat and wheat products. Consequently in 1935 legislation was passed, known as the "Wheat Industry Control Act", which created a central governing Board. The principal function of this organization was to encourage producers and their co-operative organizations to store wheat and thus regulate marketing by the payment of compensation for losses due to storage.

In the first year of its existence the Board was faced with the 1935-36 bumper crop of 23,709,150 bushels, coupled with which there was a substantial carry-over from the year before, together with low overseas prices. At this period, despite these factors, the collapse of the domestic wheat market was prevented. It soon became apparent, however, that additional restrictive measures would be necessary if a permanent rationalization of the market was to be achieved. Accordingly in October, 1938, the Wheat Industry Control Board was reconstituted and given much wider powers. In brief these gave the Board monopolistic selling control. They provided that the Board could prohibit the producer selling his wheat to anyone but the Board, which was empowered to appoint agents to purchase wheat on its behalf at a price fixed by itself, and this wheat would then be re-sold to millers and other consumers. As

a corollary, authorization was obtained to fix the prices of various wheat products such as bread, flour, and mill offal.

Up to the time this scheme became operative there was no legal basis for proper wheat-grading regulations; everything had formerly been done on a fair average quality basis. As the result of the scheme for sale through fixed channels and at fixed prices, it became necessary to prepare a set of grading rules. In addition to being the buyer and seller of the domestic wheat crop, the Control Board is the only authority in the matter of imports. Until this year, when imports were required, permits were issued to the individual millers, who then made their own purchases. Since 1940, however, the Board has done all the importing for its own account and then distributed supplies to the various consumers.

The protection granted to the wheat industry by the Control Scheme has made the country less dependent on outside sources of supply, as a result of the high prices paid to producers, although self-sufficiency has not been attained.

In the latest annual report of the National Marketing Council certain figures illustrating the trend of wheat production and consumption were published as follows:—

*South African Production and Consumption of Wheat*

	Production Bushels	Consumption Bushels
1919-23 . . . . .	6,653,000	10,627,000
1929-33 . . . . .	10,887,000	11,863,000
1934-38 . . . . .	15,450,000	16,717,000
1938-39 . . . . .	16,863,000	17,600,000
1939-40 . . . . .	14,423,000	18,667,000

Based on the above figures there was a deficiency which varied from the low figure of 737,000 bushels in 1938-39 to a high of 4,244,000 in 1939-40; when information for the two succeeding periods becomes available the deficiency will be even more marked.

Actually during the whole period in which the industry has been protected a surplus has been produced in two seasons only, from which it is apparent that the present level of prices is not high enough to make the country completely self-supplying.

Owing to climatic influences and soil deficiencies, the wheat yield in even the most suitable production areas of the Union is much below that of the leading wheat-producing countries. The principal growing localities are the Swartland and Ruens districts, as already noted, in the southwestern part of the Cape Province. In the former the average yield per acre during the seasons from 1936 to 1939 was 10·5 bushels and in the latter 12·2 bushels.

The high prices paid for wheat have had the effect of bringing submarginal land under production, such as the Swellendam-Riversdale districts in the Cape where the average crop was only 5·4 bushels per acre. Even at high prices such low yield in country which is only suited for sheep grazing is unremunerative, and consequently growers clamour for still higher prices (\$2 per bushel), thereby causing the Government considerable embarrassment.

It is estimated that the cost to the general public as a result of the uneconomic production of wheat in South Africa is between £800,000 and £1,000,000 per year. The fixed price to the consumer of a two-pound loaf of low-quality bread is sixpence, which is appreciably higher than that ruling in most other countries for a much superior product.

GRADING OF WHEAT

The various quality grades of South African wheat were first gazetted by official decree in October, 1938. This decree was supplemented by a government notice dated October 6, 1939, by which all domestic wheat is divided into three classes and six grades. It is specified that Class A shall be bread wheat consisting of at least 80 per cent by weight of one or more of the following varieties: Manitoba, Kruger, Rooi Kleinkoring, Burbank, Florence, Farrartrou, Sterling,



Kleintrou, Red Egyptian and Sunset. The quality of Class A wheat shall not be below the definition for Grade 3.

Class B wheat is defined as being bread wheat consisting of one or more of the varieties not included in Class A but containing less than 80 per cent by weight of one or more of six varieties of bread wheat falling under that class but of a quality below the definition of Grade 3. Class D consists of any wheat containing more than 10 per cent by weight of durum wheat.

All wheat, irrespective of class, is graded on a specific basis. Grade 1 must have a minimum bushel weight of 62 pounds, a maximum content of 2 per cent foreign matter, 5 per cent other wheat, 13 per cent moisture, 5 per cent broken grain, 5 per cent damaged grain other than broken grain, and a maximum of 7.5 per cent of damaged plus broken grain plus foreign matter. In addition to Grade 1, Grades 2, 3, 4, 5 and 6 provide for wheat of lower weights per bushel and higher percentages of foreign matter, overweight and broken and damaged grain. There is also an under grade for wheat which does not conform to the requirements of any of the six grades.

A copy of the South African Wheat Grading Regulations is available for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

### PRICES OF WHEAT AND WHEATEN PRODUCTS

Trade in wheat, wheat offal, flour and bread is all conducted at fixed prices, which are notified in the South African Government *Gazette*. It is prescribed that no producer shall sell wheat, other than that sold for seed and under permit, at prices other than the following, which are per bag of 200 pounds f.o.r. and may be less a commission of 9d. per bag payable to the Wheat Board or its agent:—

#### *Selling Prices for South African Wheat*

Grade	Class A			Class B			Class D		
	Per 200 Pounds			F.O.R.					
	£	s.	d.	£	s.	d.	£	s.	d.
1 .....	1	2	0	1	1	0	0	18	0
2 .....	1	1	6	1	0	6	0	17	6
3 .....	1	0	6	0	19	6	0	16	6
4 .....	.....			0	17	6	0	14	6
5 .....	.....			0	15	0	0	13	6
6 .....	.....			0	13	0	0	11	6

While the foregoing are the official prices for the year, November 1, 1941, to October 31, 1942, producers of wheat are in addition paid a subsidy of 2s. per bag. The growers contend that even at this increased figure the production of wheat is unprofitable, and they have been asking for as much as £1 11s.

As regards flour, there is a variation in the schedule of fixed selling prices that depends on the quantity taken. For purchasers who take in one delivery not less than 7,000 pounds of flour, meal or semolina or not less than 500 pounds of self-raising flour the cost per bag of 200 pounds is as follows:—

#### *Selling Prices of South African Flour*

	Per 200 Lbs.		
	£	s.	d.
Patent or special flour .....	2	0	9
Bakers' flour .....	1	16	9
Household flour .....	1	15	3
No. 2 sifted meal .....	1	12	6
No. 1 unsifted meal .....	1	10	0
No. 2 unsifted meal .....	1	6	0
Semolina .....	2	0	9

For quantities of not less than 600 pounds the foregoing quotations are increased by 1s. per bag, while for quantities below 600 pounds there is a 5s. increase.



The fixed minimum and maximum prices of unwrapped bread are 5½d. and 6d., respectively, per 2-pound loaf and apply to the following types: standard bread, standard mixed bread, crushed or cracked wheat bread and mixed bread.

### WHEAT IMPORTS

The quantity of wheat imported into South Africa has been reduced as domestic production has increased. This applies particularly to bread grain, apart from which certain limited quantities of overseas wheat have continued to be brought in at all times, under permit, for the manufacture of biscuits and alimentary pastes. During seasons when the local harvest has been adequate, the limited imports have been confined almost entirely to wheat suitable for these purposes.

The following table indicates the volume and value of total wheat imports into South Africa during the past twelve calendar years:—

#### *South African Imports of Wheat*

	Bush.	£
	Bush.	£
1929 .....	6,185,387	1,535,824
1930 .....	1,908,862	486,849
1931 .....	3,197,608	513,069
1932 .....	1,079,010	176,038
1933 .....	61,971	11,463
1934 .....	886,653	197,610
1935 .....	50,286	10,416
1936 .....	32,329	7,172
1937 .....	17,739	5,778
1938 .....	2,617,892	459,714
1939 .....	180,930	31,997
1940 .....	2,618,631	496,207

Until about ten years ago South Africa was a regular importer of limited quantities of Canadian wheat which was used for blending purposes. In 1933 and from 1935 to 1939 imports from Canada were small, and were utilized mostly for special purposes such as the manufacture of biscuits; when bread grain was required Australia was favoured. It was not until 1940 that part of the Union's requirements was met from Canada, which was the first time since 1934.

The volume and value of imports of wheat from Canada and Australia, the two principal sources of supply, during the past twelve years have been as follows:—

#### *Imports of Wheat from Canada and Australia*

	From Canada		From Australia	
	Bush.	£	Bush.	£
1929 .....	939,864	276,496	3,996,133	968,731
1930 .....	1,665,179	414,107	204,568	61,823
1931 .....	2,281,144	389,318	897,730	120,653
1932 .....	958,577	157,985	120,349	18,024
1933 .....	39,248	7,227	22,450	4,158
1934 .....	854,676	191,742	31,864	5,830
1935 .....	24,196	5,351	24,935	4,757
1936 .....	20,106	4,693	12,082	2,429
1937 .....	17,555	5,693	.....	.....
1938 .....	17,900	4,963	2,451,596	422,763
1939 .....	17,964	3,569	162,784	28,368
1940 .....	412,651	94,517	1,889,315	337,855

In 1938 and again in 1940, imports from Canada and Australia were supplemented by imports from Argentina. In the former year that country supplied 148,282 bushels valued at £31,948 and in the latter 313,288 bushels valued at £63,817. In 1941 such wheat as was imported came almost entirely from Australia.

### WHEAT EXPORTS

During big crop years small quantities of wheat have been exported from South Africa. The only year in which exports were in any considerable volume

was 1937, when they amounted to 980,911 bushels, most of which went to the United Kingdom. A proclamation under the Marketing Act of 1937 (dated November 3, 1939) prohibits, except under permit, the exportation from South Africa of all wheat and wheaten products.

### IMPORT PERMITS

Apart from supervision and licensing of imports of wheat and flour by the Wheat Industry Control Board, a second series of permits is also required by virtue of the National Emergency Regulations controlling all imports from non-sterling countries, which became effective on September 15, 1941. These two import permits are required not only for flour and wheat which are to be consumed in South Africa but also for re-exports and bonded stores. In other words, flour and wheat, even if only in transit, cannot be landed in a South African port without the authorization, first, of the Wheat Control body and, second, of the Controller of Imports.

### SOUTH AFRICAN MILLING INDUSTRY

The Union of South Africa's wheat-milling capacity is estimated to be 50 per cent in excess of requirements. This is due to imperfections of competition, which permit the continued existence of old mills and the entry of new milling units that do not utilize their productive capacity to the full; it can be explained by present evolutionary process of the industry. Prior to the industrial and mining development of the Southern Transvaal, a large part of the country's demand for flour was from the seaboard provinces. Since wheat production was confined chiefly to the western part of the Cape Province and large quantities of wheat had to be imported in any case, there was a tendency to build near the coast, particularly in the Southern Cape. As the consumer demand shifted northward and, under the stimulus of protection, wheat was grown in the same areas to an increasing extent, mills were built in the Transvaal, thus increasing the total milling capacity available. These mills, which were built in wheat-growing areas in the Orange Free State and the Transvaal, are considered up to the present to possess dubious advantages, owing to the variability of the crop in those areas and the ever possible necessity of having to rail wheat from the coast during seasons of low production.

While eight large commercial mills grind the bulk of South Africa's wheat, there is in addition a large number of small local grist mills situated throughout the wheat-producing districts, which cater to the requirements of their immediate neighbourhoods only.

It is part of the program of the Wheat Control Board to rationalize the milling industry. The first step in this process was the grading and price-fixing of wheat and flour and their products. Subsequently all mills have been registered, while at present the establishment of milling quotas is under consideration.

A census taken by the Wheat Industry Control Board covering the seasonal year ending September 30, 1937, listed the capacity of the flour-milling industry of the Union on the following basis:—

### *South African Flour-milling Capacity*

Milling Capacity	Mills	Wheat Ground	Per Cent of Total
Bags of 200 Pounds	No.	Bags	Wheat Ground
Over 125,000 . . . . .	8	2,534,541	56.46
50,001 to 125,000 . . . . .	9	770,243	17.16
25,001 to 50,000 . . . . .	8	217,867	7.08
15,001 to 25,000 . . . . .	10	187,074	4.17
10,001 to 15,000 . . . . .	8	104,453	2.33
5,001 to 10,000 . . . . .	26	165,874	3.70
1,501 to 5,000 . . . . .	87	224,635	5.00
1,500 and less . . . . .	532	183,967	4.10
Total . . . . .	668	4,488,654	100.00

## MILLING RESTRICTIONS

As a result of the shortage of domestic wheat and because of the disinclination to supplement this by importing wheat or flour from abroad, steps were taken early in 1941 to prohibit the milling of high-grade flour and the baking of white bread. Accordingly, from April 23, the milling and sale of all grades of flour, except two standard varieties, was stopped, and what is known as unsifted meal No. 1 and unsifted meal No. 2 were introduced. Provision was made for the supply of limited quantities of white flour for cake- and pastry-making purposes, but in practice this has become unobtainable. Production of so-called "mixed meal", composed of 95 per cent wheat and 5 per cent corn, rye or soya beans, was also decreed. The use of this meal is not, however, compulsory.

## FLOUR IMPORTS

Since the closing of the market by the establishment of the import permit system, the volume of flour imported into South Africa has shrunk to small proportions. In 1931 the total quantity, according to the Union statistics, was 48,484 barrels. Australia supplied nearly 50 per cent of this total, although Canada, with 18,922 barrels valued at £19,044, was first from the point of view of value. The United States was the only other supplier of importance. By 1939 imports from all sources had contracted to 5,038 barrels and, as flour cannot be brought into the country for ordinary consumption, most of this quantity can be presumed to have been in transit for South-West Africa. As regards the 1939 figure, Canada was credited with 2,073 barrels valued at £2,061. Most of the remainder came from Southern Rhodesia and Australia.

In 1940 the imports of flour moved upwards to 33,311 barrels valued at £29,970. Australia supplied the bulk of the total, or 28,608 barrels valued at £22,939. Canada shipped 2,331 barrels valued at £2,709. Again Southern Rhodesia was credited with most of the remainder.

## ENTREPOT TRADE

With the increase in shipping via the Cape route, a certain entrepot trade in Canadian flour has been developed during the past 18 months, that has no doubt inflated the Canadian figures representing exports to this country. Some additional business has also been done as a result of alimentary paste manufacturers' obtaining permits to use Canadian flour for manufacturing products for export. Even this trade is, however, handicapped by South African restrictions, which necessitate compliance with the same regulations as when flour is imported.

## IMPORT DUTIES

The intermediate duty on wheat imported into South Africa, or Southwest Africa, applicable to all countries except the United Kingdom and Canada, is 2s. 8d. per 100 pounds. A preferential rate of 2s. 6d. is granted on wheat of British or Canadian origin. In addition to the foregoing there is, however, a special levy equal to the difference between the fixed price of domestic wheat and the landed duty-paid price of the foreign product. However, as imports are allowed only under permit and the cheaper the wheat the higher the revenue, there has been a tendency on the part of the authorities to favour wheat from such countries as Australia as against the higher-quality but more expensive product from Canada.

The duty on flour imported from Canada or the United Kingdom is 5s. 4d. per 100 pounds; on imports from any other country the rate is 5s. 8d. As in the case of wheat, imports are subject to a special levy equal to the difference between the fixed price of the domestic product and the landed duty-paid price of the foreign flour. Imports may be brought in only under permit.



## SOUTHWEST AFRICA

The territory of Southwest Africa, although incorporated in the Union customs area, is not subject to the jurisdiction of the Wheat Industries Control Board and, with buyers free to purchase flour wherever they choose, a limited amount of business has, up to date, been placed in Canada. With a total white population of only about 30,000, the extent of the market is obviously small. In 1939 the flour imports from all sources totalled 45,726 barrels valued at £73,402. South Africa was credited with 44,222 barrels valued at £72,399, and most of the remainder came from Canada. In 1940 the total imports were 44,125 barrels valued at £68,768, the bulk of which again came from South Africa, with an additional small quantity from Canada.

Since September 15, 1941, all imports into the territory of Southwest Africa have been subject to the import control ruling in the Union. Applications for licences to import Canadian flour have been refused, which would indicate that the existing small market is to be either reduced or completely closed.

## SUMMARY

As far as wheat is concerned the Union of South Africa is unlikely to ever attain a condition of balanced self-sufficiency. In exceptional seasons there may be abnormal crops, from the point of view of quantity, but the quality will always be below the bread-making standard of some other countries. If South African millers and bakers were allowed to purchase wheat and flour on the open market, they would gladly utilize Canadian products, the high quality of which they know. There is no prospect of this happening, however, and, as long as it is the policy of the South African Government to maintain its present negative attitude toward imports, the Union will be of little value to Canada as a market for wheat and wheaten products.

## AUSTRALIA TO PRODUCE ALUMINIUM

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, December 8, 1941 (delayed).—With the rapid expansion of aircraft production and other wartime industries, the Australian demand for metallic aluminium is now many times greater than it was two years ago. The principal ore of aluminium, bauxite, is present in large quantities at various localities in Australia, but it has been generally believed that the ore was not amenable to the established methods of treatment, and all the aluminium hitherto used in the Commonwealth has been imported. Investigation into recovery methods has resulted, it is stated, in the development of a new process suited to the Australian type of bauxite, and plans have been formulated to commence operations on a commercial scale without delay. It has been officially announced that no more aluminium will be imported into Australia for other than defence purposes.

Production of aluminium from bauxite is in two main stages. First, the precipitation of alumina (aluminium oxide) from the ore; and secondly, the electrolytic smelting of the alumina to obtain the metal. In the established precipitation method, known as the Bayer process, the alumina is separated from the bauxite by treatment with caustic soda, but this is not very effective if the bauxite contains a high percentage of silica. Experiments by Australian chemists have demonstrated that a high silica bauxite may be satisfactorily treated by an acid process using ammonium sulphate instead of caustic soda, and it is stated that this will be the basis of the method to be adopted in Australia.

Smelting to recover the metal from alumina is carried out by mixing the alumina with fluxes (the mineral cryolite is the most common), fusing

the mixture and passing a high amperage current through the fused material. The current is used to maintain the necessary heat and to decompose the alumina into its elementary components, aluminium and oxygen. One ton of aluminium may be obtained from 1.88 ton of pure alumina.

The Commonwealth Minister for Supply and Development has announced that plant costing about £A1,500,000 is to be erected for the treatment of Australian bauxite, and it is anticipated that it will be able to produce up to 10,000 tons of aluminium per annum.

In the year ended June 30, 1939, imports into Australia of aluminium blocks, cubes, ingots, plates and sheets, etc., totalled 25,638 hundredweights valued at £17,591, of which Canada supplied 2,203 hundredweights valued at £14,772.

## AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, December 31, 1941.—Wheat production forecasts for the season 1941-42 have now been reduced to approximately 158,000,000 bushels, principally owing to an outbreak of red rust in South Australia and Victoria. [The estimate in February was raised to 164,092,000 bushels, according to cable which follows.—Ed.]

Of the quantity harvested, the Australian Wheat Board expects to acquire about 142,000,000 bushels, of which 80,000,000 bushels would be bulk wheat and 62,000,000 bushels bagged wheat. After allowing for domestic requirements, it is expected that 100 to 110 million bushels of this season's wheat will be available for export, but in the present difficult circumstances it is anticipated that the greater part of this will have to be stored in Australia. Approximately 23,000,000 bushels of wheat were carried over from the 1940-41 season.

Announcement of a payment of 3s. (approximately 53 cents Canadian) per bushel for bagged wheat and 2s. 10d. (approximately 50 cents Canadian) for bulk wheat, less freight in each case, has been made. This involved advances by the Commonwealth Treasury to the Australian Wheat Board of £A21,000,000. In view of the difficulty anticipated in disposing of the exportable surplus, it is not expected that further advances will be made.

At a recent conference of the Federated Millers and Mill Employees' Association of Australasia, at which all States were represented, it was decided that representations should be made to the Federal Government to have power alcohol made from flour instead of from wheat. Concern was expressed at the position of the flour-milling industry, in which 157 firms were engaged in Australia, and the difficulties of pig raisers, poultry farmers, and dairymen had also to be considered because of the shortage of offal arising from the slackness of the milling trade. About 500,000 tons of offal a year were consumed, and it was held that unless the normal rate of flour milling was maintained there would be a grave shortage of this material. It was contended that power alcohol could be produced from flour as economically as from wheat.

## WHEAT PRICES

Approximate export prices f.o.r. ports during the month of November in the years 1935 to 1941 were: 1935, 40.11d.; 1936, 56.87d.; 1937, 53.98d.; 1938, 30.34d.; 1939, 32d.; 1940, 47.75d.; 1941, 50d.

Mr. Palmer has added the following information in a recent cable:—

Estimated production of wheat in Australia for the 1941-42 season is approximately 164,092,000 bushels. As the Australian Wheat Board anticipates difficulty in disposing of the greater portion of the wheat to be acquired in No. 5 Pool, the Wheat Stabilization Committee is considering plans for limita-



tion of the wheat acreage for the 1942-43 season. Plans envisage the release of labour for war effort and a scheme of compensation for farmers prevented from producing. Official wheat prices remain unaltered.

The export flour market is increasingly limited. Approximate prices per short ton for export flour f.o.b. Melbourne, authorized by the Wheat Board, for shipment to the East Indies in 49-pound calico bags is equivalent to \$41 in Canadian currency; to Mauritius in 150-pound sacks, \$34.76; and to Beira in 100-pound hessian bags, \$36.52. War Office orders are being executed on the basis of \$32.12 per ton f.o.b. Melbourne.

## INDIA'S WAR EFFORT

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, December 22, 1941.—The following notes are provided as an indication of the part which India is playing in the war and of the great changes which are being effected in this country's basic economic schemes.

### MANPOWER

Indian troops serving overseas number some 200,000. By the end of 1941 the total number of troops in India and abroad is expected to be approximately 1,000,000. An average of 50,000 recruits is being enrolled monthly. There has also been a large increase in the personnel of the Royal Indian Navy. The Indian Air Force is still in a formative stage, but its numbers are expected to show a rapid expansion within the next year.

### MACHINES

In addition to a large output of small arms, artillery, and various types of ammunition, India is now producing a great number of military trucks and armoured cars. Most of the chassis for these vehicles have been imported from Canada and the United States. The Indian army is now using six times as many vehicles as at the outbreak of the war.

Considerable progress has been made in developing an industry for the assembly and repair of aircraft. Meanwhile the Indian Air Force is in course of expansion to ten squadrons. The Civil Aviation Directorate is training 2,000 mechanics a year in various branches of maintenance work.

Naval craft, ranging in size from lifeboats to minesweepers and corvettes, are being built in several Indian shipyards. Tonnage and port facilities of the Royal Indian Navy represent a great increase over those available two years ago.

### EQUIPMENT

India's three leading manufacturing industries, cotton, jute, and iron and steel, have not only expanded their production but have extended the range of their products. The cotton mills of Bombay and Ahmedabad are working full time to meet the very large domestic demand and to supply many millions of yards of military cloth to Australia, New Zealand, and South Africa. Calcutta's jute industry has turned out record numbers of sandbags and has developed the production of canvas, webbing, and a variety of other textile products for use as military equipment. The principal units in the iron and steel industry have undertaken a vast expansion program and are now manufacturing numerous types of steel and steel products which have never before been made in India.

Among other enterprises of importance are the boot and shoe industry, which is making several million pairs of army boots each year; the drug and chemical industry, which has shown remarkable progress in making good



the shortage of imported supplies; the woollen industry, which is turning out large quantities of blankets and other equipment in both large and smaller handloom establishments; the garment factories, which expect to record an output of 70,000,000 units by the end of the present year; tobacco factories, which are shipping vast numbers of cigarettes to adjacent theatres of war; and the food-canning and dehydrating plants, which in the space of eighteen months have made remarkable progress in the preparation of numerous items of preserved food. There are many other undertakings of less importance, such as the manufacture of brushware, surgical and scientific instruments, buttons, padlocks, parachutes, cutlery, and ammunition boxes, while still further developments are projected. It has been officially stated that, whereas India now produces some 37,000 of the 50,000 different items of standard army equipment, the time is not far distant when local industry will be capable of manufacturing the complete range of these products.

#### RELATED INDUSTRIES

The growth of these new industries and the conversion of others to new processes has stimulated the output of a variety of raw materials and manufacturing equipment. Numerous branches of agriculture have felt the favourable effect of increasing demand. A machine-tool industry is gradually being developed. Railway equipment of types which have always been imported is already being made in a number of local plants. The timber trade is producing a much larger quantity both of raw material and of manufactured wood products than ever before. The mineral industry also has recorded a higher output and a greatly increased range of products than at any previous time.

#### FINANCIAL AID

The foregoing brief and general summary of several of the outstanding trends in India's output of man-power and essential materials may be supplemented by the statement that, up to November 15 of this year, subscriptions to defence loans amounted to Rs.961,827,000 (\$320,000,000). At the same date gifts to the Viceroy's War Purposes Fund had reached the sum of Rs.55,000,000, or some \$18,000,000.

### UNITED KINGDOM CONTROL OF WARTIME IMPORTS

#### FROM *The Board of Trade Journal*

While an increasing proportion of all imports into the United Kingdom is now being brought in directly for Government account, more than 90,000 import licences, covering a great variety of goods were issued by the \*Import Licensing Department of the Board of Trade in 1941. A considerably greater proportion of applications for licences was considered.

Figure showing current value of United Kingdom imports are not published but in pre-war years total imports were of the order of £900 million a year in value. Import control was instituted in the United Kingdom from the outbreak of war. Practically the whole of this trade to-day is done either for government account or is subject to Board of Trade licensing control.

#### NECESSITY FOR CONTROL

On the outbreak of war it became vitally necessary to safeguard our exchange resources to provide for the greatly increased purchases of raw materials and munitions, particularly in dollar and other hard currency countries. A long list of luxury and non-essential imports became subject to import licensing on

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\* The address of the Import Licensing Department, Board of Trade, is 1-6 Tavistock Square, London, W.C.1.

5th September, 1939, by an Order issued under the Import, Export and Customs Powers (Defence) Act, 1939.

A considerable saving in expenditure was immediately effected and import licensing was also used to assist the administration of the Defence (Finance) Regulations as well as that of the Trading with the Enemy legislation. As raw materials become subject to Control orders in the United Kingdom, these goods were also added to the import schedule to make the control complete and help to ensure that such raw materials were put to essential wartime uses.

On the collapse of France our shipping position became serious and considerations of shipping space and port handling facilities were then, and are now, so important that even the most essential goods required for direct furtherance of the war effort had to be subject to close import control to ensure an ordered flow of imports.

The scale of the original restrictions may be indicated by saying that the list of September 5, 1939, covered goods which had been imported in 1938 to the value of £80 million and that additions were made at an average rate of £90 million a month, until in June, 1940, all commodities (except live quadruped animals) were made subject to licence by the Import of Goods (Control) Order, 1940.

A very small range of goods such as newspapers, press photographs, fresh fish (other than frozen), for which import control is either impracticable or undesirable, is exempt from individual licence on import from any country under Open General Licences and a short list of raw materials is also permitted to be imported freely from the British Empire, the Belgian Congo, Ruanda-Urundi and those French Colonies which have rallied to the Free French cause.

As our resources became strained to the utmost to buy, ship and handle the imports urgently required for the prosecution of the war, even further steps were necessary in the modification or withdrawal of three administrative concessions. First, in December, 1940, goods returned after exportation from the United Kingdom became subject to licence on re-importation; secondly, in June, 1941, a severe modification of the gift parcel concessions was imposed, reducing the allowable weight of gift parcels which can be delivered to private addresses from 22 lb., the Post Office limit, to 5 lb., with the further limit that no parcel may contain more than 2 lb. of any one foodstuff; thirdly, in July, 1941, goods shipped to the United Kingdom and entered with Customs as in transit or for transhipment to any destination became subject to licence.

#### GIFTS FROM ABROAD

Apart from import restrictions, other measures are adopted to reduce consumption of less essential goods, such as petrol rationing, control of the release of raw materials and the Limitation of Supplies Orders which restrict the production and sales of a large range of goods forming part of a citizen's normal budget.

The equitable distribution of essential clothes, textiles and foods is effected by rationing on point or quota systems and gifts of such goods in excessive amounts or at frequent intervals (solicitation is illegal) tend to destroy this equitable distribution by giving an advantage to those citizens who have kind-hearted friends or relatives overseas.

Moreover, as the provision of our necessary requirements is ensured by other means, excessive quantities of gift parcels sent to individuals, as distinct from charitable organizations which can distribute under approved schemes, are wasteful of our limited shipping space.

It would be better, of course, if observance of the gift parcel regulations could always be effected at the export end, so avoiding wastage of shipping space and disappointments. A great deal of co-operation in this direction has now been secured through the publicity given to the regulations by Postal Authorities and others abroad, but more might be achieved.



## LICENSING PROCEDURE

It is clear that the control in this country must be applied uniformly and with reasonable strictness if the regulations are to be maintained. Fortunately, well-wishers oversea appear to appreciate the motive of the regulations in the principle of fair shares for all at this time when it is necessary to do everything possible to ensure that shipping space is used to the very best advantage.

The principle of equity is also observed in the licensing procedure whereby, when the imports of a commodity are reduced below normal, it is the general policy to restrict the issue of licences to those firms which can prove pre-war imports and the available quantity is distributed proportionately between them on a quota system; but in many cases imports can be allowed to meet Service requirements only.

All import licences are issued by the Board of Trade, but other Government Departments are responsible for the licensing policy for many commodities. Imports of foodstuffs are, of course, the primary responsibility of the Ministry of Food, and most raw materials and some finished products are the responsibility of the Ministry of Supply or one of that Ministry's Controls.

Roughly speaking, the Board of Trade is primarily responsible for imports of tobacco, dyes and dyestuffs, and finished products other than munitions of war. The available shipping space is divided up between these three Departments who work to carefully prepared shipping programs and exchange allocations.

Forms of application reach the Import Licensing Department of the Board of Trade either directly from importers or via some other Government Department. Licences, issued usually to the firm which is primarily responsible for paying the oversea supplier, have to be presented by the importer to his bank to secure an allocation of exchange and to the Customs Officer at the port or postal depot where the goods arrive.

Either the licence, or a copy of the Customs entry, or both, are passed by Customs to the Import Licensing Department, where full records of the licensing position are kept for each licence holder and each commodity. Although no guarantee can be given that licensed goods will be lifted as soon as they are available at the port of exportation, every endeavour is made to see that shipping space is provided.

## EFFECT OF IMPORT RESTRICTIONS

After more than two years of import restrictions the general public is well aware of the results. As examples of the effects on market supplies it may be said that, apart from a few cargoes diverted to this country in 1940 when various European countries were overrun by Germany, there have for two years been no importations from oversea of such goods as toys, domestic glassware, pottery, vacuum cleaners, domestic refrigerators, leather footwear, printing and textile machinery, toilet preparations, mechanical lighters, furniture, motor cars and many other articles of common use, as well as many foods forming part of general diet in pre-war years.

Moreover, the production of many of these same products in the United Kingdom has been substantially reduced by a change over to production of various munitions of war.

The passing of the Lend-Lease Act rendered invaluable assistance to the United Kingdom in its war effort, but by no means removed our need to earn and conserve foreign exchange to the utmost, so that it has not been possible to pursue a less strict import licensing policy subsequent to the passing of the Lend-Lease Act. The process of belt tightening still continues and the extent of government control still widens daily, if more slowly, because the more drastic restrictions were made long before December, 1941.



## ARGENTINE FISH MARKET SITUATION

J. C. DEPOCAS, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, February 3, 1942.—For several reasons the per capita consumption of fish in Argentina is probably the lowest of all countries. Chief among these is the low price and high quality of meat, which is available in quantity to all classes of the population who for the most part have never had an opportunity of cultivating a taste for fish or of appreciating its food value. Moreover, the price of fish in Argentina is high—codfish costs about four times as much as meat—which makes it a luxury rather than a poor man's food as in some other countries. Friday is not regarded as a fish day by the majority of the population except in the Lenten season, and the consumption of fish during this period is more a tradition than the observance of a regulation. There is an almost total lack of effort towards increasing the consumption of fish by means of posters, newspaper advertisements, circulars, or other publicity methods.

Fish consumption is therefore limited to the high income group, tourists, the patrons of first-class restaurants and hotels, and recent immigrants who in most cases eventually adapt themselves to the use of Argentine foods. Fish is used as an hors d'œuvres or as an entrée, but very seldom constitutes the main course of a meal, even of a light lunch. For middle-class purchasers the use of fish is limited to an occasional meal, and the annual average per capita consumption is about ten pounds. Buenos Aires and the other large cities are the consuming centres for fish, its use being practically negligible in the interior. At Mar del Plata, centre of the Argentine sea fisheries, there is some demand during the summer season for fresh fish at a fair price, mostly from foreigners. To meet the limited demand, Argentina relies on domestic supplies and imports, of which only 10 per cent is fresh fish.

The local sea-fishing industry is still of minor importance. There are good fishing grounds with promising catches, but development is slow and will remain so so long as retail prices of fish continue at the present high level as compared with the price of meat and the value of the catches and the returns to the fishermen. The high retail prices reduce the demand, while it is only with government help that the fisherman can carry on during the period of development.

There is some inland fishing in the southern lakes. Production for human consumption increased from 12·5 million pounds in 1920 (the first year for which statistics are available) to 42 million in 1939. There was an additional production of 32 million pounds of "sabalos," from which an industrial oil is extracted.

The production of salt-water fish during the same period increased from 36 million to 76 million pounds, bringing total production to 119 million pounds during 1939. Among the fresh-water fish taken are the pejerrey, the pati, the surubi and the shad. Salt-water fish include the pejerrey (*Basilicathys bonariensis*), which is unknown outside of South America and may attain 27 inches in length; the hake; the corvina (*Necropogon undulatus*) and the pescadillo (*Cynoscion areatus*), both of which reach 20 inches in length; the caballa or mackerel; the lenguado; anchovy; sole; prawn; and shrimp.

The pejerrey is chiefly in demand, but supplies are decreasing. However, the authorities are endeavouring to prevent any further reduction and have also imported Canadian trout and salmon, which may adapt themselves to the cold waters of the southern lakes. Local production easily meets requirements for human consumption and leaves a surplus for poultry feed. Imports of fresh fish are about 1 per cent of local production. The total value of the catch of both salt- and fresh-water fish in 1939 was about 11,500,000 pesos, or about \$3,800,000 Canadian.

## IMPORTS

During the years 1938 to 1940 inclusive, imports of all fish, fresh or otherwise, into Argentina from principal sources of supply, were as follows:—

*Argentine Imports of Fish*

	1938	1939	1940	Origin
	Lb.	Lb.	Lb.	
Herring, smoked. . . . .	70,016	65,046	17,160	Norway, U.S.
Herring, preserved. . . . .	4,850	2,645	1,900	U.K., Sweden
Herring, in brine . . . . .	1,591,721	1,560,857	547,901	U.K., Holland
Codfish, whole . . . . .	9,384,682	10,333,401	5,419,630	Norway, Iceland, U.K.
Codfish, cut . . . . .	556,441	492,067	180,081	Norway, U.K.
Shrimps, dry. . . . .	1,543	1,543	.....	U.S.
Caviar . . . . .	7,716	3,527	1,648	Russia
Lobster, live . . . . .	61,288	43,210	32,547	Chile
Oysters, preserved . . . . .	982,811	245,592	705,437	Spain, U.S., Japan, Portugal
Oysters, fresh . . . . .	85,979	37,478	68,193	Chile, U.S., Portugal
Anchovy paste . . . . .	1,323	2,205	726	U.K.
Fish, fresh . . . . .	2,030,216	1,378,977	1,647,785	Portugal, Japan, U.S.
Fish, canned. . . . .	520,947	456,352	339,722	Portugal, France, Spain, Japan
Fish, in brine . . . . .	459,659	31,746	244,356	Portugal, Spain
Stockfish. . . . .	315,478	221,783	91,861	Norway
Sardines, in oil . . . . .	5,430,812	3,336,000	4,695,913	Portugal, Spain, Norway, U.S.
Total . . . . .	21,515,572	18,212,429	13,994,860	

Codfish, sardines, fresh fish and herrings in brine are the more important items of import, and European countries are the main suppliers.

## CODFISH

Before the conclusion of the Canada-Argentina trade agreement of October 2, 1941, Canada was handicapped to the extent of 20 per cent of the tariff rate applicable to imported codfish as compared with other supplying countries, and Norway was heavily subsidizing exports. Norway is no longer a supplier to this market, but Canada's position has not been improved thereby. Norway and Scotland have always shipped codfish to Argentina in hermetically sealed tin boxes to protect the fish from heat and dampness during the long voyage and the period it is in storage before being released by the customs authorities. Canadian shippers have never adopted this method of packing because the increased cost would widen the margin between their prices and those of their competitors. However, this is the only practicable method of shipping Canadian codfish to this market. Another factor adversely affecting sales of Canadian codfish to Argentina is that between the fishing season in Canada and the Lenten period there is a considerable interval during which the fish must be kept in perfect condition.

Two types of codfish are imported, the ling (Scottish), averaging 36 inches in length and 11 inches at the widest point, and the Norwegian type, averaging 24 inches. The ling is a dry salt fish, split, with fins and tail but without bones, outer skin and head. The bulk of the Norwegian codfish is the ordinary dry salt cod of uniform size. The retail price of this fish is about 4 pesos per kilo (of 2.2 pounds), while that of good-quality meat is one peso per kilo.

Only the highest grade of codfish is imported; there is no demand for small fish as in Northern Brazil and the West Indies. For Argentina the fish must be selected, and Canadian exporters who have studied this market are convinced that it would not be practicable to grade out a sufficient quantity of high-class fish for sale to Argentina, as it would lower the average quality left for other markets. It is only since January last that the Argentine Government has authorized imports of codfish from North America.

## SARDINES

Sardines were practically a monopoly of Spanish suppliers up to 1938 when Spain was the source of 98 per cent of all imports. In 1939 Spain's share was



only 25 per cent of total imports, Belgium and French African colonies accounted for 20 per cent each, Norway for 11 per cent, the United States for 10 per cent, and Portugal for 6 per cent. In 1940 the imports from Belgium and Norway were suspended, and the shares of these countries in the trade were taken over by Portugal, which supplied to the extent of 80 per cent. Portugal was in an exceptionally favourable position to supply the Argentine market, having ample stocks on hand on account of the closing of other markets and of being able to supply a brand similar to the Spanish. In addition, Portugal had no difficulty with purchases of tinsplate for packing.

Importers in Argentina are now looking to Canada, as there are indications that Portugal may have to withdraw from this market. Inquiries have been submitted to Canadian exporters but without success. In normal times it would require an intensive advertising campaign to establish a Canadian brand of sardines on this market, but at present, in the absence of competition from the products of other countries, they would be given a trial.

#### FRESH FISH

Imports of fresh fish are expected to cease in the event of a reasonable improvement in the local fishing industry. In the meantime lack of shipping space will probably result in the suspension of imports.

There is also an opportunity for sales of Canadian herrings in brine. During the fall of 1941 a trial order was placed with a British Columbian firm, and delivery was effected in good condition. A little later a larger order was placed, and, at the request of the importer, the shipment was effected without benefit of refrigeration, the fish being placed in the centre of the boat at a depth below the water-line. These fish were delivered in good condition. As this importer is assured of a market among Germans, Russians, Rumanians, etc., he is of the opinion that he can maintain a steady business with Canada whether or not refrigeration is available in the carrying ship, since the second shipment reached Buenos Aires on January 2, in the summer season. The same dealer occasionally imports smoked salmon from Canada.

Other fish, such as frozen halibut and salmon, were imported before 1938, when exchange regulations were put into force; since July, 1941, relaxation of these regulations has again favoured imports, but refrigerated shipping space is not available.

#### EXCHANGE REGULATIONS

As stated above, by the terms of the Argentina-Canada trade agreement most-favoured-nation treatment is extended to the Dominion with respect to tariffs, but exchange regulations place Canada and other countries in the dollar area in an unfavourable position as compared with countries in the sterling area. Remittances for fish imports from the United Kingdom and Iceland are converted at the equivalent rate of 4.22 pesos to the United States dollar, while importers of Canadian fish will be granted exchange permits only when they have purchased the necessary exchange at the auction market; the usual rate paid by the successful bidder is about 5 pesos to the United States dollar. As Icelandic exporters accept payment in sterling, they enjoy a certain measure of preference. Importers are not accorded the benefit of the first or second official rate of exchange on purchases of any kind of fish from Canada; all imports must be paid for at the auction rate.

#### MARKET PROSPECTS

It is a matter of regret that, owing to lack of available supplies, Canada cannot take advantage of the withdrawal from this market of her competitors, as any sales during the wartime period would at least result in Canadian products becoming known or better known to Argentine consumers. But even if a surplus were available for export, there is always the possibility that Argentina may



have to alter her exchange regulations to exclude imports of foodstuffs, either because Argentine exchange would have to be used for other purposes or in order to give priority to essentials. So far as Argentina is concerned, food, and particularly fish, is not an essential item of import.

But even were it possible to arrange for regular shipments of fish, there is nothing to warrant an established market for Canadian sardines, for instance, introduced when former suppliers are in no position to export. Many wartime opportunities will disappear with the conclusion of hostilities, and the trade in many products will revert to its former status. Spain formerly bought a minimum of 85 per cent of her wheat requirements from Argentina when sardines and olive oil were the chief items exported to this country. In 1941 a contract was signed calling for the delivery of 380,000 tons of wheat and 3,000 tons of meat for 35,000,000 pesos, payable in five years at 3½ per cent interest. There is no doubt that at the first opportunity Argentina will again favour trade with Spain.

### IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to January 31, 1942:—

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to January 31, 1942 Quantity	Per Cent
Cattle (700 lb. or more) . . . .	Head	225,000	3 to 1½c. per lb.	34,854	15.4
Cattle (less than 200 lb.) . . . .	Head	100,000	2½ to 1½c. per lb.	5,906	5.9
Whole milk . . . . .	Gal.	3,000,000	6½ to 3½c. per gal.	259	....
Cream . . . . .	Gal.	1,000,000	56½ to 28½c. per gal.	16	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk, and rosefish . . . . .	Lb.	15,000,000	2½ to 1½c. per lb.	945,387	6.3
Seed potatoes . . . . .	Bu.	1,500,000 beginning Sept. 15, 1941	75 to 37½c. per 100 lb.	314,799.8	20.9
White or Irish potatoes, other than seed potatoes . . . . .	Bu.	1,000,000 beginning Sept. 15, 1941	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	17,583	1.7
Red cedar shingles . . . . .	Sq.	*	Free	242,624	....
Silver or black foxes, furs and articles: †Foxes valued under \$250 each and whole furs and skins . . . .	No.	100,000 beginning Dec. 1, 1941	50 to 35 per cent ad val.	20,623	20.6
Tails . . . . .	Piece	5,000 beginning Dec. 1, 1941	50 to 35 per cent ad val.	5,000	Quota filled

\* Duty free quota for red cedar shingles has not as yet been determined.

† The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the current quarter of 1942 Canada shipped 34,854 head of cattle weighing 700 pounds or more, other than dairy cattle, to the United States, or 67.3 per cent of the quarterly quota allotment of 51,720 head provided for by the United States. The first quarter allotment of 8,280 head from countries other than Canada was filled; receipts over and above this allotment were subject to the full rate of tariff.

## TENDERS INVITED

### Australia

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date December 30, 1941, that the Deputy Director of Posts and Telegraphs, Melbourne, is calling for tenders for the supply and delivery of 15,000 yards of V.I.R. lead-covered cable, 1 pair twin/0.044 inch. Tenders close in Melbourne on March 24, 1942.

Interested Canadian manufacturers may obtain tender forms and specifications by applying to the Department of Trade and Commerce, Ottawa, quoting file number 13943.

Canadian manufacturers not already represented in Australia and who may be interested in this tender are advised to obtain the assistance of an Australian firm versed in the procedure of tendering for the requirements of Australian Government departments. The name of such a firm will be supplied on application to the Department of Trade and Commerce, Ottawa, quoting file number referred to above.

## NO ISSUE OF BRITISH NAVICERTS FOR SHIPMENTS FROM THE UNITED STATES AFTER APRIL 1

It has been announced by the United States Department of State that, under arrangements between the United States Government and the United Kingdom Government for the co-ordination and simplification of their economic warfare procedures, the issuance of ship navicerts by British consular officers will be discontinued on April 1 and that beginning that date certificates fulfilling the purpose now fulfilled by ship navicerts will be issued by United States Collectors of Customs to vessels leaving United States ports.

The press release issued by the Department of State at Washington respecting this change reads as follows:—

Arrangements have been made between this Government and the Government of the United Kingdom for the co-ordination and simplification of their respective economic warfare procedures.

Heretofore it has been necessary for exporters sending goods from the United States to certain countries in Europe, Africa and the Near East, or to their colonial possessions, to obtain two documents, an American export licence and a British navicert. A new arrangement will come into effect April 1 under which only one document, the American export licence, need be obtained.

British Consuls in the United States will not issue navicerts for exports to be shipped from this country after April 1.

Export licences issued by the Board of Economic Warfare before March 1 will be invalid after April 10, whether shipment is by freight, parcel post or mail, to the following destinations: French West Africa, French North Africa, Iran, Iraq, Eire, Liberia, Madagascar, Portugal, Portuguese Atlantic Islands, Portuguese Guinea, Reunion, Spain, Syria, Spanish Atlantic Islands, Spanish Morocco and Tangier, Sweden, Switzerland and Turkey.

Applications for export licences for goods to be exported to these destinations after April 1 will be received by the Board of Economic Warfare on and after March 1. Under the new procedure export licences for these destinations will be issued on a quarterly basis. Detailed regulations are being issued by the Board of Economic Warfare to which all inquiries should be addressed.

Beginning on April 1 certificates fulfilling the purpose now fulfilled by ship navicerts will be issued by United States Collectors of Customs to vessels leaving United States ports. Issuance of ship navicerts by British Consular Officers will accordingly be discontinued as of that date.

## CONTROL OF EXPORTS FROM CANADA

### ADDITIONS TO LIST OF PRODUCTS FOR WHICH A PERMIT TO EXPORT IS REQUIRED

Under Order in Council P.C. 1371 of February 23, 1942, the following commodities have been added, effective on and after February 24, 1942, to the list of products which may not be exported from Canada except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

#### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Fruits, prepared, including fruit pulp in airtight metal containers.

Vegetables, prepared, including baked beans and pork and beans, in airtight metal containers.

Tomato juice in airtight metal containers.

Soups in airtight metal containers.

By Export Permit Branch Order No. 23, issued by the Minister of Trade and Commerce, the foregoing commodities are exempted from requiring an export permit when shipped to any part of the British Empire.

Under two earlier Orders in Council, P.C. 1084 and P.C. 1250, the following two items were added to the export permit list, effective February 16 and February 20, 1942, respectively:—

#### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Rye, whole or ground (on and after February 16).

Buckwheat, whole or ground (on and after February 20).

### CHANGE IN EXPORT PERMIT REQUIREMENTS

By Export Permit Branch Order No. 24, issued by the Minister of Trade and Commerce, casual shipments of the following commodities, having a value of \$35 or less, are exempted from requiring an export permit on and after February 23, 1942:—

#### GROUP 3—FIBRES, TEXTILES AND TEXTILE PRODUCTS

All fabrics composed wholly or in part of yarns of wool or of hair.

This exemption has been made to facilitate small purchases by tourists in Canada.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### CONTROL OF WARTIME IMPORTS

An article under the above heading, reproduced from the *Board of Trade Journal* (London), will be found at page 220 of this issue.

### Egypt

#### SURTAX INCREASED

The office of the Canadian Trade Commissioner at Cairo advises that an Egyptian decree effective December 15, 1941, increased the surtax chargeable on all imports into that country from 2 per cent ad valorem to 5 per cent ad valorem.



## Cuba

### GENERAL TARIFF RATES EXTENDED ON ARTICLES OF PRIME NECESSITY

Writing from Havana under date February 16, 1942, C. S. Bissett, Canadian Trade Commissioner, advises that the rates of the Cuban general tariff (previously called the minimum tariff) have been made applicable for the usual further period of six months as from February 2, 1942, i.e., to August 2, 1942 inclusive, to all articles considered to be of prime necessity, irrespective of their origin or of the tariff rates, if higher, which otherwise would be applicable to them. Such articles are gasoline; red, pink and white beans; codfish; rice. As this is merely an extension of an old ruling, it will not in any way affect the situation as regards Canadian products exported to this market, which in any case are assessed under the general tariff.

## EXCHANGE CONDITIONS IN BOLIVIA

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, February 14, 1942.—With the improvement in the economic situation during 1941 the strict system of exchange control which was in effect in Bolivia at the beginning of the year has been relaxed, and at present there is a surplus of foreign exchange, which is sold freely for all types of imports. This is chiefly due to the favourable arrangements made for the disposal of Bolivia's tin production to the United States, through the Metals Reserve Corporation, and to the United Kingdom.

At the beginning of 1941 exchange and import control were in effect and three rates of exchange existed: the official rate, then quoted at 39.90 bolivianos per one United States dollar; the compensation rate at 55 bolivianos per dollar; and the black market (illegal) rate of approximately 61.50 bolivianos per dollar. Mining companies and all exporters were required by law to sell certain percentages of the value of their exports to the Central Bank. The Central Bank then re-sold these drafts to specified purchasers with various requirements pertaining to the different rates of exchange.

With the advent of better conditions, and effective from June 21, 1941, the Bolivian Government introduced a single and fixed rate of exchange in place of these former official and compensation rates. The new rate established is 46 bolivianos per one United States dollar, with the relative cross rate of 186.15 bolivianos per pound sterling. Since then the rates have varied in a minimum degree and at present are as follows: banks' buying rate, bolivianos 46 per United States dollar, and selling, bolivianos 46.46; and bolivianos 184.69 and 186.54 per pound sterling buying and selling respectively.

Although it was intended to initiate a licensing system for imports in conjunction with the fixed rate of exchange, and although the various regulations were drawn up to put this into effect, such action was not taken and the importation of all articles is freely permitted. Automobiles were the one exception; but even this restriction has now been removed and any importer can order what he pleases from abroad without requiring any form of permission.

At present there is an adequate supply of foreign exchange and the banks are selling this freely for imports without any delay. The amount of available exchange is actually so plentiful that there is mention, both in banking circles and in the press, of fixing the boliviano at 43 or even 40 per dollar.

For shipment to Bolivia terms of letters of credit can be obtained, although cash against documents upon arrival of the goods is preferred by the merchants owing to shipping delays. Due to the scarcity of supplies generally and the

shortage of available freight space, dealers are usually quite willing to meet these conditions. Application may be received for credit terms, but these should only be extended when the shipper in the Dominion is assured from experience that the importer is able to pay.

To avoid confusion it is preferable to quote prices in United States funds, as the regulations of the Canadian Foreign Exchange Control Board require final settlement for Canadian goods shipped to Bolivia to be effected in United States dollars. This method of quoting also puts prices into the most current medium of foreign exchange in that market. If for any reason prices are expressed in Canadian dollars, a clear indication should be given of the exact exchange discount allowed by the shipper to put such offers into United States currency.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 23, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, Feb. 23, 1942, and for the week ending Monday, Feb. 16, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 16	Nominal Quotations in Montreal Week ending Feb. 23	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2282	.2282	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2615	.2615	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6327	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5859	.5859	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	—
Straits Settlements . . . . .	Dollar	.5678	.....	.....	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

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C. H. PAYNE, *Director*

---

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

D. I.

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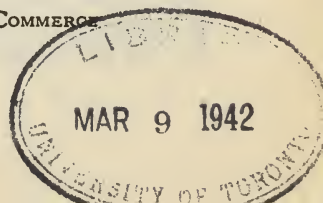
Ottawa, March 7, 1942

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## FOREIGN TRADE OF THE UNITED STATES, JANUARY TO SEPTEMBER, 1941

D. S. COLE, CANADIAN TRADE COMMISSIONER

### I. Total Trade and Exports

New York, February 20, 1942.—The foreign trade of the United States for the January-September period of 1941 directly reflects the war activities of other nations and the large defence program under way in this country. Every commodity moving in or out of the country is under government control one kind or another, some stimulative, some restrictive, but all disruptive of normal peacetime foreign trade mechanism. On the other hand, such factors as export and import control, blacklisting of foreign firms, freezing of foreign funds, embargoes, shipping controls, ocean freight rates, war risks and domestic defence needs, have all hampered private foreign trading. Exports consisting largely of war materials, machines and foodstuffs have been increased by heavy lend-lease shipments and government loans under the hemisphere defence policy. On the other hand, imports have been greatly stimulated by the accumulation of reserve supplies of strategic and essential materials required for the defence program.

#### TRADE WITH GREAT BRITAIN AND CANADA

The interdependence of the United States and the British Empire is reflected in the Empire's purchasing nearly two-thirds of the United States exports and supplying nearly one-half of this country's imports.

During the first nine months of 1941 total United States trade with Canada was valued at \$1,061,501,000 as compared with \$802,779,000 in the corresponding period of 1940. United States exports to Canada increased from \$511,729,000 to \$675,306,000, while imports from Canada increased from \$291,050,000 to \$386,195,000.

For the same period total trade with the United Kingdom increased from \$799,113,000 to \$1,127,566,000. Although United States imports from the United Kingdom remained at about the same level as in 1940, there was an exceptionally large increase in United States export trade with the United Kingdom, reflecting the increased aid to Great Britain under lend-lease.

The combined United States export trade with Canada and the United Kingdom amounted to \$1,699,518,000 for the first nine months of 1941 and accounted for 51 per cent of the total United States exports. On the other hand, combined imports from Canada and the United Kingdom amounted to \$489,549,000 and accounted for 20·9 per cent of the total United States imports.

#### UNITED STATES EXPORTS AND IMPORTS

The value of United States exports for the first nine months of 1941 amounted to \$3,317,596,000, an increase of 9·6 per cent over the 1940 total of \$3,027,440,000. Imports for consumption in the United States for the period amounted to \$2,315,787,000 as compared with \$1,872,196,000 in the corresponding period of 1940, a gain of 23·7 per cent. Total trade for the nine months amounted to \$5,633,383,000, the highest since 1929 and a gain of 15 per cent over the total of \$4,899,636,000 for the 1940 period.

#### GOLD AND SILVER MOVEMENTS

Since the beginning of 1941 there was a steady decline in the shipment of gold to the United States, so that by the end of September shipments were almost at the level of new gold production in the countries of export. Gold imports for the period amounted to \$838,719,000 as compared with \$3,951,225,000 in



the corresponding period of 1940. Of the 1941 receipts, \$350,719,000 was supplied by Canada, \$291,790,000 by South Africa, \$51,647,000 by Australia, \$32,203,000 by the Philippines, and \$20,295,000 by Russia. Exports of gold for the period totalled \$27,084,000.

Imports of silver for the first nine months of 1941 amounted to \$35,751,000, of which \$19,604,000 came from Mexico, \$5,192,000 from Canada, \$3,608,000 from Peru, \$2,648,000 from Japan, and \$1,018,000 from Central America. Exports of silver totalled \$5,130,000.

#### PRINCIPAL MARKETS

United States exports to the six grand divisions of the world for the first nine months of 1941 showed that exports to North America, Africa, and Oceania increased by 34 per cent, 161 per cent and 7·7 per cent respectively over those of the corresponding period of the previous year, while shipments to Asia, South America and Europe declined by 1·4 per cent, 2 per cent and 11 per cent respectively. The small decline in exports to Europe is attributable to the heavy exports to the United Kingdom. Actually shipments to Europe, exclusive of the United Kingdom, amounted to only \$124,809,000.

The following table shows the values of United States exports to various British Empire countries and other principal foreign countries for the January-September period of 1941 as compared with the corresponding 1940 period:

#### *United States Exports to British Empire and Other Principal Countries*

	Jan.-Sept., 1941	Jan.-Sept., 1940	Inc. (+) or Dec. (—) Per Cent
British Empire Countries—			
United Kingdom . . . . .	\$1,024,212,000	\$697,888,000	+ 47.0
Canada . . . . .	675,306,000	511,729,000	+ 32.0
British South Africa . . . . .	125,917,000	71,525,000	+ 76.0
British India . . . . .	73,104,000	48,984,000	+ 49.0
Australia . . . . .	56,864,000	57,355,000	— 0.8
British Malaya . . . . .	31,897,000	11,317,000	+182.0
New Zealand . . . . .	19,433,000	13,634,000	+ 42.0
Other principal countries—			
Egypt . . . . .	122,393,000	14,745,000	+734.0
Mexico . . . . .	104,609,000	66,597,000	+ 57.0
Brazil . . . . .	94,429,000	82,565,000	+ 14.0
Netherlands Indies . . . . .	79,295,000	35,265,000	+125.0
Argentina . . . . .	65,891,000	91,062,000	— 28.0
China . . . . .	62,107,000	62,250,000	— 0.3
Japan . . . . .	58,041,000	165,275,000	— 65.0
Russia . . . . .	47,603,000	62,727,000	— 25.0
Colombia . . . . .	43,812,000	38,378,000	+ 14.0
Venezuela . . . . .	41,769,000	53,392,000	— 22.0
Chile . . . . .	35,783,000	31,662,000	+ 9.8

It is estimated that 66 per cent of the entire United States exports, consisting mostly of war materials, for the first nine months of 1941 went to the British Empire, with 30·9 per cent valued at \$1,024,212,000 going to the United Kingdom. This was an increase of 47 per cent over the corresponding 1940 value of \$697,888,000. Shipments to Canada, valued at \$675,306,000, accounted for 20·4 per cent of the total exports and were 32 per cent over the total of \$511,729,000 for the January-September period of 1940. Exports to British South Africa were valued at \$125,917,000, an increase of 76 per cent. Exports to British Malaya, British India, and New Zealand recorded substantial increases, while shipments to Australia, valued at \$56,864,000, were 0·8 per cent below those of the like period of 1940.

Exports to other principal foreign countries recorded an increase of over 700 per cent for shipments to Egypt, 125 per cent to the Netherlands Indies and 9·8 per cent to Chile. Smaller gains were recorded in exports to Mexico, Brazil and Colombia, while declines were shown in exports to Argentina, Venezuela, Russia, China, and Japan. Shipments to Japan declined by \$107,235,000, or 65 per cent.

## EXPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the twenty chief exports from the United States during the January-September period of 1941 as compared with the corresponding period of 1940:—

*Twenty Chief United States Exports*

	Jan.-Sept., 1941 \$1,000	Jan.-Sept., 1940 \$1,000	Inc.(+) or Dec.— Per Cent	Per Cent of 1941 Total
Aircraft, parts and accessories* . . . . .	379,142	198,640	+ 90.9	14.2
Automobiles, parts and accessories . . . . .	224,471	180,478	+ 24.4	6.9
Power-driven metal-working machinery. . . . .	153,748	163,576	— 6.0	4.7
Firearms, ammunition . . . . .	141,034	46,233	+ 205.1	4.4
Electrical machinery and apparatus. . . . .	96,708	85,864	+ 12.6	3.0
Coal and coke . . . . .	80,304	70,130	+ 14.5	2.5
Steel ingots, blooms, slabs. . . . .	70,266	62,657	+ 12.1	2.2
Iron and steel plates, sheets, skelp and strips	64,962	75,424	— 13.9	2.0
Agricultural machinery and implements . . . . .	61,825	61,843	— 0.02	1.9
Lubricating oil . . . . .	53,294	77,995	— 31.7	1.6
Unmanufactured cotton . . . . .	51,692	190,296	— 72.8	1.6
Meat products . . . . .	48,275	18,575	+ 159.9	1.5
Cotton cloth, duck and tire fabric . . . . .	46,386	28,521	+ 62.6	1.4
Iron and steel bars and rods . . . . .	45,921	47,197	— 2.7	1.4
Industrial chemicals . . . . .	43,415	39,917	+ 8.8	1.3
Motor fuel and gasoline . . . . .	40,009	46,898	— 14.7	1.2
Leaf tobacco . . . . .	39,609	35,287	+ 12.2	1.2
Iron and steel tubular products . . . . .	36,918	34,691	+ 6.4	1.1
Merchant vessels . . . . .	29,993	38,365	— 21.8	0.9
Condensed, evaporated and dried milk. . . . .	29,087	10,459	+ 178.1	0.9

\* Figures for aircraft exports are for eight months only.

While the exports of finished manufactures, semi-manufactures and manufactured foodstuffs and beverages constituted by value 92 per cent of the total United States exports during the first nine months of 1941, finished manufactures and manufactured foodstuffs were the only economic groups to show increased values over the 1940 period with gains of 30.2 per cent and 56 per cent respectively. Declines ranged from 12.2 per cent for crude foodstuffs to 41.2 per cent for crude materials. The estimates of the Department of Commerce indicate that the quantity of United States exports for the 1941 period was 6.3 per cent greater than for the preceding year, and the average export price was 3 per cent higher.

## AIRCRAFT

Although the United States Government ceased to make public the figures for the exports of aircraft beginning with September, 1941, it is apparent from the data for the first eight months of 1941 that aircraft, parts and accessories continued to be the leading export commodity. The value of aircraft exports for the January-August period of 1941 totalled \$379,140,000 as compared with \$198,640,000 in the 1940 period, a gain of 90.6 per cent. In quantity the export of powered landplanes totalled 3,467 for the 1941 eight months, shipments of seaplanes totalled 138, while the number of engines exported for the period was 5,231.

## AUTOMOBILES

Automobiles, parts and accessories maintained their position as the second leading export by value, owing to increased shipments of motor trucks and buses. The value of exports of automobiles, parts and accessories for the January-September period of 1941 totalled \$224,471,000 as against \$180,478,000 in the like period of 1940, an increase of 24.4 per cent. Exports of motor trucks and buses totalled 96,875 units, an increase of 31.6 per cent over the 1940 equivalent of 73,624 units. On the other hand, shipments of passenger cars for



the period amounted to 60,264 units and were 9·8 per cent below the 1940 number of 66,787 units. Exports of automobile tires amounted to 1,109,000 and exceeded the 1940 nine-month total of 764,000 by 45·2 per cent.

#### MACHINERY

Exports of machinery accounted for 16 per cent of the total exports and were valued at \$509,744,000, a gain of 5·6 per cent over the heavy shipments in the first nine months of 1940. Shipments of power-driven metal-working machinery totalled \$153,748,000 and were 6 per cent below the value of \$163,576,000 for the January-September period of 1940. The value of exports of electrical machinery and apparatus totalled \$96,708,000, an increase of 12·6 per cent over the total of \$85,864,000 for the 1940 period. Shipments of agricultural machinery and implements were valued at \$61,825,000, or just under the total of \$61,843,000 for the first nine months of 1940. Exports of construction and conveying machinery showed a substantial gain, mining and quarrying machinery recorded a small increase, while the exports of well and refinery machinery declined for the period under review.

#### FIREARMS AND ORDNANCE

During the first nine months of 1941 exports of firearms and ammunition, for which quantity data are no longer available, were valued at \$141,034,000 as compared with \$46,233,000 in the like period of 1940, an increase of 205·1 per cent.

#### COAL AND COKE

Exports of coal and coke, mostly shipped to Canada, amounted to 33,572,970,000 pounds (\$80,304,000), an increase of 3·5 per cent in quantity and 14·5 per cent in value over the 1941 nine-month total of 32,428,355,000 pounds (\$70,130,000).

#### METALS AND METAL PRODUCTS

Exports of metals amounted to \$511,246,000, constituting 16 per cent of the total United States exports, and were about 16 per cent below the heavy 1940 nine-month exports. About four-fifths of the exports consisted of iron and steel products and were valued at \$418,748,000, or about 2 per cent below the corresponding value for 1940. Shipments of steel ingots, blooms and slabs were valued at \$70,266,000 as against \$62,657,000 in the like period of 1940, a gain of 12·1 per cent. Exports of iron and steel tubular products at \$36,918,000 were 6·4 per cent over the value of \$34,691,000 for the 1940 period. On the other hand, exports of iron and steel plates, sheets, skelp and strips totalled \$64,962,000, a decline of 13·9 per cent from the total of \$75,424,000 for the like period of 1940, and shipments of iron and steel bars and rods, valued at \$45,921,000, were 2·7 per cent below the 1940 value of \$47,197,000.

Exports of non-ferrous metals, consisting of badly needed materials, declined sharply to \$86,669,000, or 40 per cent below the 1940 value. Refined copper exports totalled 135,662,000 pounds (\$15,365,000) as compared with 603,206,000 pounds (\$70,678,000) in the 1940 period, a decline of 77·5 per cent in quantity and 78·3 per cent in value. Shipments of bauxite and other aluminium ores increased by 65·1 per cent, from 132,964,000 pounds to 219,572,000 pounds in the first nine months of 1941.

#### PETROLEUM AND PETROLEUM PRODUCTS

Exports of petroleum and petroleum products continued their downward trend and were valued at \$139,009,000 as compared with \$206,199,000 in the



first nine months of 1940, a decrease of 48 per cent. Shipments of crude petroleum amounted to 5,757,726,000 pounds (\$26,780,000) as compared with 12,098,589,000 pounds (\$53,352,000) in the like 1940 period, a decline of 52·4 per cent in volume and 49·8 per cent in value. Exports of lubricating oils totalled 1,961,225,000 pounds (\$53,294,000) as against 2,659,182,000 (\$77,995,000), a decline of 26·2 per cent in volume and 31·7 per cent in value. Motor fuel and gasoline exports declined by 21·1 per cent in volume and 14·7 per cent in value from the corresponding amounts in 1940, and those of gas oil and fuel oil declined by 30 per cent in volume and 32·3 per cent in value.

#### CHEMICALS AND RELATED PRODUCTS

Exports of chemicals and related products for the 1941 period accounted for 6 per cent of the total United States exports and were valued at \$196,045,000, an increase of 16 per cent over the corresponding value for 1940. Explosives, sodium compounds, hydraulic cement, industrial chemicals and medicinal and pharmaceutical preparations all showed gains over the previous year's figures. On the other hand, exports of crude sulphur, carbon black and fertilizers declined during the 1941 period.

#### COTTON

Exports of unmanufactured cotton for the first nine months of 1941 occupied eleventh place among the leading export commodities. They amounted to 411,254,000 pounds (\$51,692,000) as compared with 1,815,130,000 pounds (\$190,296,000) in the similar period of 1940, a decline of 77·3 per cent in quantity and 72·8 per cent in value.

#### LEAF TOBACCO

Leaf tobacco exports amounted to 166,043,000 pounds (\$39,609,000) as compared with 182,945,000 pounds (\$35,287,000) in the corresponding period of the previous year, a decline of 9·2 per cent in volume and a gain of 12·2 per cent in value.

#### AGRICULTURAL PRODUCTS

Benefiting from the lend-lease program, exports of foodstuffs amounted to \$261,483,000 in the 1941 period, a gain of 35 per cent over the corresponding value for 1940. Heavy gains were recorded in the exports of concentrated foodstuffs such as wheat flour; meat products; lard; condensed, evaporated and dried milk; eggs; milled rice; syrups and flavours; and fruit juices. Declines were recorded for wheat and corn.

### MARKET FOR WOOL SUITINGS IN TRINIDAD

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, February 23, 1942.—Trinidad merchants are experiencing a rapid turnover in woollen suitings as a result of the increased purchasing power of local workmen employed on United States base construction schemes and of the influx of white personnel from the United States.

With the importation of ready-made suits practically prohibited by a ruling that all suits imported must not have a c.i.f. value of more than \$4.80, local currency, men's suits must be made up locally from imported suitings. The sale of such materials has become sufficiently pronounced as to cause the Import Control Board to place a quota on imports of all woollen piece-goods. There is no restriction under the quota as to country of origin within the Empire, and the amount of the quota, 400,000 square yards, is about equal to the total imports of woollen piece-goods in 1940.

Hitherto, the United Kingdom has been almost the sole source of supply for woollen suitings, accounting for 98.2 per cent of the total imports of 406,242 square yards in 1940. Recently, however, considerable interest has been shown in the possibility of obtaining supplies from Canada, and local agents have been canvassing Canadian mills and exporters.

Woollen suitings are sold by nearly all the local departmental stores and by men's furnishing shops. A survey shows that the demand is for tropical suitings of 10 ounces and up in weight and for medium weight suitings of 11 to 14 ounces. These are supplied in double widths of 56 to 58 inches.

In tropicals such materials as light-weight worsteds and poplins are popular, while in medium suitings fast-dye navy serge, cream serge, fancy worsteds and grey flannels are sold freely. There is also a limited demand for smooth tweeds.

Shipments from the United Kingdom continue to arrive, although somewhat delayed. The latest prices for English suitings are about 8s. per yard f.o.b. for tropicals and 7s. 6d. to 11s. 6d. per yard f.o.b. for medium-weight suitings. The cost of delivery from the United Kingdom port to local warehouse, duty paid, is estimated at about 2s. per yard, the duty being 10 per cent ad valorem on the c.i.f. value, plus a surtax of 15 per cent of the duty. Popular lines of suitings are being currently retailed at \$3 to \$4.50 and upward, local currency, per yard. Canadian manufacturers interested in entering this market are invited to forward to the Canadian Trade Commissioner, Box 125, Port of Spain, sample swatches of suitings, export prices, and terms of trade, including agent's commission.

## MARKET FOR FISH IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

### III. Pickled and Smoked Fish\*

Port of Spain, February 17, 1942.—Pickled and smoked fish find two different general markets in this territory. The volume market for pickled fish is in the agricultural colonies, while smoked herring (or bloater), the only type of smoked fish supplied in quantity, finds its largest market in the more industrialized colony of Trinidad.

#### PICKLED FISH

Pickled mackerel, salmon, and herring are the three main types of pickled fish imported into this territory. The value of imports from 1934 to 1938 averaged \$90,845 per annum and in 1939 the value was \$106,252, of which Canada supplied about 68 per cent. The heaviest demand is during the Lenten season, although in certain markets such as British Guiana and St. Kitts there is a steady sale the year round. Pickled fish is more awkward to handle from a merchant's point of view than either dried or canned fish, and this may account in part for its lesser sale as compared with that of other types.

*Pickled mackerel* is imported in far larger quantities than any other kind of pickled fish. British Guiana is the principal market, receiving about 52.7 per cent of the pickled mackerel supplied to this territory from Canada. Barbados and the Windward and Leeward Islands are the remaining important markets, among which St. Kitts is outstanding with purchases of about 60 per cent of the total pickled fish imported into the Leeward Islands.

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\* Parts I and II of this report, dealing with salted, dried, smoked, and canned fish, were published in *Commercial Intelligence Journal* No. 1986 (February 21, 1942).

*Pickled herring* finds a limited market in Barbados and in the Windward and Leeward Islands.

*Pickled salmon*, for which there is a moderate demand during the Lenten season, is imported mainly into Trinidad and British Guiana, the two colonies accounting for about 80 per cent of the total imports into this territory. Following are detailed import figures for pickled fish; imports into Trinidad are considerably larger than those for the other colonies, due to the inclusion of smoked herring imports in the Trinidad figures:—

*Principal Imports of Pickled Fish by Colonies*

	Total		Canada		Newfoundland	
Trinidad—	Cwt.	\$	Cwt.	\$	Cwt.	\$
1940 . . . . .	5,362	43,418	4,784	31,577	365	4,745
1939 . . . . .	7,344	52,748	5,325	30,149	1,434	11,262
4-year average, 1935-38.. . . .	6,443	42,933	5,355	30,794	293	3,125
	Total		Canada		Newfoundland	
British Guiana—	Brl. of 200 Lb.	\$	Brl.	\$	Brl.	\$
1940 . . . . .	3,243	25,835	3,230	25,750	3	85
1939 . . . . .	3,143	24,964	3,143	24,964	....	....
4-year average, 1935-38.. . . .	2,774	19,523	(approximately all from Canada)			
	Total		Canada		Newfoundland	
Barbados—	Brl. of 200 Lb.	\$	Brl.	\$	Brl.	\$
1940 . . . . .	1,101	9,244	656	5,025	445	4,219
1939 . . . . .	1,364	11,121	523	3,692	841	7,430
4-year average, 1935-38.. . . .	1,417	9,820	906	5,116	508	4,694
	Total		Canada		British North America*	
Leeward Islands—	Brl. of 200 Lb.	\$	Brl.	\$	Brl.	\$
1940 . . . . .	2,328	13,680	2,328	13,680	2,325	13,579
1939 . . . . .	2,060	13,195	2,060	13,195	2,049	13,132
3-year average, 1936-38 . . . . .	2,068	13,276	2,068	13,276	2,065	13,190
* Includes Canada and Newfoundland.						
St. Kitts received approximately 60% of total imports.						
	Total		Canada		Newfoundland	
Grenada—	Brl. of 200 Lb.	\$	Brl.	\$	Brl.	\$
1940 . . . . .	232	2,208	229	2,174	2	33
1939 . . . . .	510	4,224	489	4,036	20	187
4-year average, 1935-38.. . . .	481	3,988	447	3,700	31	278
St. Lucia, 4-year average, 1935-38..	83	960	81	931	3	50
St. Vincent*, 4-year average, 1935-38	21	345	12	187	9	158
* Pickled salmon imports for 1936-38.						

GRADE AND PACKING

Pickled mackerel, in small, medium and large grades, is imported in barrels of 200 pounds net. Fish with good red colour is preferred, but the size purchased depends mainly on the price.

PRICES

In April, 1940, pickled mackerel was being purchased in British Guiana at \$8 (Canadian) per barrel c.i.f. for small grade, \$9 per barrel for medium, and \$10 for large. The duty-paid price quoted in November, 1940, was \$9.40 to \$10.50 (British Guiana currency), the duty being \$1 per barrel. By December, 1941, the duty-paid price had risen to \$20 (British Guiana currency) per barrel.

Pickled salmon, large size, was quoted in Trinidad in 1941 at \$22 (Canadian) c.i.f. per barrel of 200 pounds net and at \$24 per barrel in 1942. At present the Trinidad controlled price for pickled salmon is \$28 to \$30 per barrel wholesale. This price includes a duty of \$1.15 per barrel, approximately 10 per cent exchange, and profit to wholesaler. The controlled retail price is 22 to 23 cents per pound. At this price pickled salmon is more expensive than pickled meats or tinned salmon.



## BLOATERS AND SMOKED HERRING

Imports of bloaters and smoked herring into this territory are mainly from Canada. In the absence of any local import figures, Canadian statistics reveal that at the beginning of the depression years there was a decided slump in imports from Canada. Bloater and smoked herring exports to this territory were valued at \$147,928 in 1930, \$43,325 in 1933 and \$24,021 in 1939. Apart from the decreased purchasing power during the depression years, the reduction in imports of smoked herring is attributed to a diversion of demand to canned fish. There is some support for this assumption in that imports into Trinidad, which account for between 60 and 70 per cent of the total smoked herring imports into the territory, showed a marked decline during the decade, coincident with a steady improvement in imports of canned fish.

The volume sale is in smoked herring which must retail at one cent each or, if need be, at three for two cents. This places clearly defined limits on the minimum count of fish per 18-pound box and the maximum c.i.f. price, which can only be exceeded with a prospect of loss of trade. Without entering into details of retail and wholesale profits involved, it implies a count of at least 120 to 140 per box and a c.i.f. price of 72 to 85 cents per box (Canadian currency). Actually the pre-war price was within this limit, but since 1939 it has increased steadily—the current quotation being \$1.90 (Canadian) per box f.o.b. and the count anywhere from 80 to 120 per box. Normally this price would result in quick reduction in demand but, with only limited supplies available, the demand remains strong.

## DUTIES

Following are the tariff rates on imports of all fish items into the British West Indies (Eastern Group) and British Guiana. Canadian products accompanied by a certificate of origin and shipped in accordance with prescribed regulations are accorded British preferential tariff rates. General tariff rates apply to all countries outside the British Empire.

		British Preferential Tariff	General Tariff
Trinidad and Tobago—			
Canned or preserved fish in bottles:			
*Pilchards . . . . .	per 100 lbs.	60 cts.	\$1.80
Other kinds . . . . .	per 100 lbs.	68 cts.	\$2.04
Fresh fish, including fresh fish in cold storage and turtle . . . . .	per 100 lbs.	Free	72 cts.
Salmon trout and mackerel, dried, salted, smoked or pickled . . . . .	per 100 lbs.	50 cts.	\$1.50
*Other kinds of fish, dried, salted, smoked or pickled . . . . .	per 100 lbs.	24 cts.	72 cts.
Surtax: 15% of duty; items marked with an asterisk are exempt from this surtax.			
Barbados—			
Fish, canned or preserved, in jars or bottles . . . . .	ad val.	10%	30%
Fresh fish, including fresh fish in cold storage and turtle . . . . .		Free	Free
Pickled trout or salmon . . . . .	per 200 lbs.	4s. 2d.	12s. 6d.
Pickled fish, other kinds . . . . .	per 200 lbs.	1s. 3d.	3s. 9d.
Fish, dried, salted or smoked . . . . .	per 112 lbs.	1s. 6d.	4s. 6d.
Surtax: 20% of duty. Package tax: 6d. per package.			
Grenada—			
Fish, canned or preserved, in jars or bottles . . . . .	per 100 lbs.	4s. 2d.	8s. 4d.
Fresh fish, including fresh fish in cold storage . . . . .		Free	Free
Fish, dried, salted, smoked or pickled . . . . .	per 100 lbs.	1s. 8d.	2s. 6d.
Surtax: 10% of duty.			
St. Vincent—			
Fish, canned or preserved, in jars or bottles . . . . .	per 100 lbs.	6s. 8d.	10s.
Fresh fish, including fresh fish in cold storage . . . . .	per 100 lbs.	1s.	3s.
Salmon, trout and mackerel, dried, salted, smoked or pickled . . . . .	per 100 lbs.	1s. 8d.	6s. 3d.
Other kinds of fish, dried, salted, smoked or pickled . . . . .	per 100 lbs.	1s. 3d.	3s. 4d.
St. Lucia—			
Fish, canned or preserved, in jars or bottles . . . . .	per 100 lbs.	6s. 8d.	10s.
Fresh fish, including fresh fish in cold storage . . . . .		Free	Free
Salmon, trout and mackerel, dried, salted, smoked or pickled . . . . .	per 100 lbs.	3s.	4s. 6d.
Other kinds of fish, dried, salted, smoked or pickled . . . . .	per 100 lbs.	2s. 6d.	3s. 9d.
Surtax: 25% of duty.			

*Duties—Concluded*

	British Preferential Tariff	General Tariff
<b>Dominica—</b>		
Fish, canned or preserved, in jars or bottles . . . . .per 100 lbs.	10s.	15s.
Salmon, trout and mackerel, dried, salted, smoked or pickled . . . . .per 100 lbs.	5s.	7s. 6d.
Other kinds of fish . . . . .per 100 lbs.	2s. 6d.	5s.
<b>Antigua—</b>		
Fresh fish . . . . .	Free	Free
Canned or preserved fish, in tins, jars or bottles . . . . .per 100 lbs.	8s. 4d.	12s. 6d.
Salmon, trout and mackerel, herrings and alewives, dried, salted, smoked or pickled . . . . .per 100 lbs.	2s.	4s.
Other fish, salted, smoked or pickled . . . . .per 100 lbs.	1s. 6d.	3s.
Surtax: 30% of duty on canned or preserved fish; 10% of duty on dried, salted, smoked or pickled fish.		
<b>St. Kitts-Nevis—</b>		
Fresh fish . . . . .	Free	Free
Canned or preserved fish in tins, jars or bottles . . . . .per 100 lbs.	8s. 4d.	14s.
Herring and alewives dried, salted, smoked or pickled . . . . .per 100 lbs.	1s. 8d.	3s. 4d.
Salmon, trout and mackerel, dried, salted, smoked or pickled . . . . .per 100 lbs.	2s. 6d.	4s. 6d.
Other fish, salted, smoked or pickled . . . . .per 100 lbs.	1s. 6d.	3s. 6d.
Surtax: 12½% of duty.		
<b>Montserrat—</b>		
Fresh fish . . . . .	Free	Free
Canned or preserved fish, in tins, jars or bottles . . . . .per 100 lbs.	8s. 4d.	12s. 6d.
Herring and alewives dried, salted, smoked or pickled . . . . .per 100 lbs.	2s. 1d.	4s. 2d.
Salmon, trout and mackerel, dried, salted, smoked or pickled . . . . .per 100 lbs.	4s. 2d.	6s. 3d.
Other fish, salted, smoked or pickled . . . . .per 100 lbs.	2s. 1d.	4s. 2d.
Surtax: 25% of duty on canned or preserved fish. 10% of duty on dried, salted, smoked or pickled fish.		
<b>British Guiana—</b>		
Fresh fish, not imported in cold storage . . . . .	Free	Free
Fresh fish, when imported in cold storage . . . . .per cwt.	75 cts.	\$2.25
Fish, tinned or canned or preserved in jars or bottles . . . . .per 100 lbs.	\$1.00	\$3.00
Smoked, dried or salted fish:		
Morocut . . . . .per cwt.	8 cts.	50 cts.
Shrimps . . . . .per cwt.	38 cts.	\$1.14
Other than morocut and shrimps . . . . .per cwt.	75 cts.	\$2.25
Pickled fish:		
Mackerel and salmon . . . . .per 200 lbs.	\$1.00	\$3.00
Other than mackerel and salmon . . . . .per 200 lbs.	50 cts.	\$1.50
Surtax: 30% of duty. Entry tax: 3% ad valorem.		

**NOTES ON TRADE AND INDUSTRY IN AUSTRALIA**

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, December 19, 1941.—Many changes have taken place and are taking place in the trade and economy of Australia. Following are notes on recent developments and projects in these fields in the southern states of the Commonwealth.

**TO PLAN FOR THE INDUSTRIAL AND RURAL DEVELOPMENT OF VICTORIA**

A bill to make provision for the appointment and constitution of a State Development Committee has recently been introduced into the Victorian Parliament. The function of the State Development Committee, which will consist of eight members of Parliament, is to inquire into and report on (a) the balanced economic industrial and rural development of Victoria; (b) the decentralization of industrial activities and the distribution of population in the State; (c) the improvement of the general welfare of the State; (d) the amelioration of the conditions of industrial and rural life in the State; (e) the organization and development of primary, secondary and other industries in

the State to meet conditions arising from the present war and the reorganization of such industries after the war.

Unless otherwise provided by Parliament, the Committee, which has been given wide powers, is to remain in existence for a period of four years.

This bill is in line with the resolution adopted at the recent annual conference of the Associated Chambers of Commerce of Australia, that, in order to preserve a balanced economy throughout Australia, and in the best interests of the British Commonwealth, it was essential that the resources and industries of every state should, with due regard to strategic and economic considerations, be utilized to their utmost capacity in the prosecution of Australia's war effort.

#### AUSTRALIAN SAWDUST FOR CLEANING, DRYING AND POLISHING

It is reported that successful experiments have recently been conducted in Australia, using dry hoop pine sawdust passed through a 20-mesh sieve, for the drying and polishing of safety pins in a heated rumbler. It is considered that the finish obtained is far superior to that on imported safety pins.

In the past imported boxwood sawdust has been used by jewellers for similar purposes, and brass workers and electroplating firms have used considerable quantities of Douglas fir (Oregon) and hemlock sawdust for cleaning various metal articles. Supplies of pure dry sawdust from any of these timbers are now very difficult to obtain and the prices ruling for boxwood sawdust are high. It is said that it is practically impossible to obtain in Australia at present large quantities of dry hoop pine sawdust free from shavings, or sawdust from other timbers, and it has been suggested that the organization of supplies of dry hoop pine sawdust would be a valuable asset to Australia, especially to the munitions industry, which requires considerable quantities of dry sawdust of various sizes for drying, cleaning and polishing all manner of metal components of ammunition, guns, etc.

#### PROPOSED CONSTRUCTION OF MARINE ENGINES IN MELBOURNE

Early in 1942, it is reported, a factory is to be constructed at Port Melbourne for the manufacture of marine engines. The estimated capital cost of the undertaking is £A700,000.

#### SOUTH AUSTRALIA FORESTRY STATISTICS

The area reserved for forestry purposes in South Australia was 267,853 acres at June 30, 1941, it is reported. Of this total, approximately 100,000 acres are considered suitable for the economic production of softwoods. The 1940 planting of 3,225 acres consisted almost exclusively of softwoods and included approximately 2,694 acres of radiata pine. It is reported that an area of 2,445 acres has been approved for planting during the 1941 season. The area under softwoods in South Australia at December 31, 1940, was approximately 94,190 acres, of which 82,652 were in radiata pine.

The log production for the year ended June 30, 1941, was 31,106,740 super feet, of which 28,714,798 super feet was hardwood. From an area of approximately 178 acres of softwood plantations which were clear filled, the log output was 14,980,789 super feet, an average of 84,162 super feet per acre. The green output of sawn timber from the mills operated by the South Australian Woods and Forests Department amounted to approximately 9,442,405 super feet as compared with approximately 7,401,696 super feet for the previous year.

The total output of seasoned mill products for the year was as follows: flooring, match, weatherboard and sundry mouldings, 8,929,197 lineal feet;



fruit cases (approximately 1,198,497 cases), 2,996,243 super feet; undressed kiln-seasoned narrow boards, 1,720,000 super feet.

### NEW GRADING RULES FOR STRUCTURAL TIMBERS

The Standards Association of Australia has recently issued grading rules for structural timbers, and the grading of structural timbers into select and standard grades, as defined in the specification, is expected to become standard practice in the Commonwealth. The use of timber in Australia for large structures, particularly roofs, is rapidly increasing, due mainly to the revolution in design and construction methods consequent on the use of timber connectors, but also due to the increasing restrictions placed on the use of steel. As engineers and architects gather experience in the new technique, more efficient and economical designs are being prepared. All of the more common Australian structural timbers have been and are being used in these structures and are said to be giving satisfaction.

### COMPRESSED DRIED MILK EXPORTED FROM AUSTRALIA

Investigations made by the Commonwealth Council for Scientific and Industrial Research have resulted in a trial shipment to Great Britain of half a ton of dried whole-cream milk powder which, instead of being packed in tins, has been moulded into firm blocks, thus reducing the volume by more than one-half. It is found that 33 pounds of the powder can be compressed into a cube each side of which is about nine inches long. This block contains the food material from 26 gallons of milk. The blocks can be powdered and beaten up in water to reconvert them to milk.

Full-cream powdered milk ranks high in the priority of foodstuffs sent to Great Britain. The experiment of having the dried milk compressed into blocks was made because the supply of tinplate at present is somewhat difficult and in order to conserve valuable freight space. It is believed that compression will prevent the air reaching individual grains of the milk and that decomposition will thus be avoided.

### RESTRICTION ON USE OF TIMBER IN MELBOURNE

Owing to serious difficulty in obtaining adequate supplies of timber in Melbourne for defence contracts, while considerable quantities are passing into non-essential use, a regulation has been issued to-day (December 19) prohibiting the sale or sawing by sawmillers of pine logs grown in Victoria or South Australia, for use in Melbourne or suburbs, except for the manufacture of munitions boxes, explosives boxes or cases required in fulfilment of Commonwealth Government contracts.

Pines native to Australia, such as Murray pine and hoop pine, are not covered by the order, which applies only to Melbourne and suburbs, so that local sawing for fruit cases in other districts is not affected. It is stated that permission may be given by the Controller of Timber for the use of pine logs for cases to pack primary products, such as butter and cheese. The order does not affect disposal of supplies of local pine timber already cut and in timber merchants' yards.

It is stated that similar control may be extended to other states, if it should become necessary.

## INDIAN COFFEE INDUSTRY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.335 Canadian.)

Bombay, November 18, 1941.—India is not only the world's most important producer and exporter of tea but is also a substantial factor in world trade in coffee.

### PRODUCTION

Coffee has been grown in India for many years, its introduction having been associated with the annual pilgrimages to Mecca. The taste for this beverage and stocks for local consumption were brought back to India by Haj pilgrims as long as 400 years ago. Production on a commercial scale has only been carried on during the last hundred years.

This industry is centered in Southern India and is confined principally to Mysore State, Madras, and Coorg. Recently the area devoted annually to coffee production in Southern India plantations has been 180,000 acres, and the crop has averaged some 35,000,000 pounds. The industry provides regular and casual employment for more than 100,000 workers.

The annual production of coffee in India is estimated by various authorities as slightly less than one per cent of total world output. The volume of exports, in comparison with that of all other producing countries, was estimated at 1.2 per cent in the period 1909-13 but had declined to 0.4 per cent in 1937.

### EXPORTS

India has exported substantial quantities of coffee for many years past, the average annual pre-war value of the trade being Rs.7,500,000. Among the principal export markets have been the United Kingdom, France, and Norway. Smaller quantities have been shipped to Belgium, the Netherlands, Australia, Iraq, and Arabia. Indian trade returns do not indicate any exports of coffee to Canada, and it may be assumed that any such business has been of very small extent. Exports have in general been considerably larger than domestic consumption, although the volume of shipments to overseas markets has shown a slightly downward tendency in comparison with increasing local demand.

There are practically no imports of coffee into India. Some quantities of ground coffee in tins are brought in as "provisions", mainly from the United States, but the trade is very small. There was formerly a limited volume of imports from Java and Ceylon for re-export to Arabia and the Persian Gulf, but this business has now been taken over by Indian producing and export interests.

### CURRENT CONDITIONS IN THE INDUSTRY

The coffee industry in India has failed to make any great advances during recent years, and the elimination of several important export markets as a result of the war is causing considerable apprehension as to future trends in this business. A contributing factor is the competition offered by the coffee industry in Kenya, which has apparently been successful in the development of markets which are still beyond the reach of local exporters.

The Indian Government has recently taken steps to assist the maintenance of production and exports. A tax of Rs.1 per hundredweight is charged on all outward shipments from India, the consequent revenue being devoted to improvements in the technique of production, manufacture, and sale. The Government has also discussed export and price problems with Java and Kenya, both these countries being interested in the same markets as the Indian industry. It seems



likely that some improvement may be expected in domestic consumption and that increased exports to various Empire countries may prove possible. The highly developed campaign carried on by the Tea Market Expansion Board both in India and abroad may, however, prove to be a more serious obstacle to such development than either of the two interests have yet anticipated.

## SUMMARY OF THE TRADE OF CANADA: MONTH OF JANUARY, 1942

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of January, 1942		
	Total	From	From
	Imports	United Kingdom	United States
Imports for Consumption			
Agricultural and vegetable products . . . . .	\$ 10,155,842	\$ 511,684	\$ 4,735,672
Animals and animal products . . . . .	3,476,504	386,584	1,576,759
Fibres, textiles and textile products . . . . .	20,418,874	7,846,102	7,244,514
Wood, wood products and paper . . . . .	3,357,520	176,973	3,106,073
Iron and its products . . . . .	35,930,663	1,123,148	34,696,483
Non-ferrous metals and their products . . . . .	8,655,889	484,319	5,945,135
Non-metallic minerals and their products . . . . .	14,685,736	1,426,701	11,291,083
Chemicals and allied products . . . . .	5,357,505	871,823	4,717,652
Miscellaneous commodities . . . . .	40,188,051	7,598,055	32,200,872
Total imports, 1942 . . . . .	\$142,126,584	\$ 20,425,389	\$105,514,243
1941 . . . . .	98,382,462	14,282,808	70,272,736
1940 . . . . .	71,104,145	9,941,284	48,575,603
Exports (Canadian Produce)			
	Total Exports	To United Kingdom	To United States
Agricultural and vegetable products . . . . .	\$ 18,877,088	\$ 11,646,991	\$ 3,382,467
Animals and animal products . . . . .	24,164,135	13,856,663	8,441,024
Fibres, textiles and textile products . . . . .	2,034,114	117,152	661,208
Wood, wood products and paper . . . . .	29,380,152	2,065,693	24,918,021
Iron and its products . . . . .	28,435,647	8,508,959	1,532,632
Non-ferrous metals and their products . . . . .	23,335,120	9,844,450	9,609,000
Non-metallic minerals and their products . . . . .	3,862,105	381,100	2,638,915
Chemicals and allied products . . . . .	5,113,785	1,465,645	2,290,811
Miscellaneous commodities . . . . .	15,317,758	7,099,189	2,608,617
Totals, 1942 . . . . .	\$150,519,904	\$ 54,985,842	\$ 56,082,695
1941 . . . . .	86,921,468	35,652,478	36,042,904
1940 . . . . .	90,100,133	39,555,428	28,808,664
Exports (Foreign Produce)			
	Total Exports	To United Kingdom	To United States
Totals, 1942 . . . . .	\$ 1,787,533	\$ 222,581	\$ 896,326
1941 . . . . .	2,031,191	674,285	588,490
1940 . . . . .	753,704	34,442	656,804
Excess of imports (i) or all Exports (e)			
	(e)	(e)	(i)
Totals, 1942 . . . . .	\$ 10,180,853	\$ 34,783,034	\$ 48,535,222
1941 . . . . .	9,429,803	22,043,955	33,641,342
1940 . . . . .	19,749,692	29,648,586	19,110,135

## ECONOMIC CONDITIONS IN THE REPUBLIC OF PANAMA IN 1941

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 31, 1942.—For the Republic of Panama and the Canal Zone the year 1941 was one of great activity. In the interest of adequate defence of the Panama Canal a vast amount of work was accomplished. Engaged on this work were thousands of labourers from the interior of the republic as well as many from neighbouring countries.

The tremendous amount of new construction in connection with the building of a third set of locks for the canal and the construction of new military camps and other defence projects is of great importance to the Republic of Panama, as the money paid out in wages has brought about a higher standard of living for all Panamanians.



### BUILDING OPERATIONS

Aside from activities in the Canal Zone, construction work in the republic itself was also extensive. A new record was established for Panama City, new construction and improvements exceeding \$2,500,000 in value. Over \$2,000,000 of this was spent on structures of concrete, indicating the permanent nature of the new buildings. Despite new construction completed during the year, there is still a housing shortage in both Panama City and Colon, and rents are high as a result.

In Colon, a city of 36,802 persons, a new all-time high record was established for home building, the total value being \$574,375. This was brought about by the need for buildings to replace those destroyed in the fire of April, 1940, and the unprecedented increase in the population due to the new work required in the Canal Zone. The value of new construction of all kinds in Colon was \$831,895.

### PUBLIC WORKS CONSTRUCTION

The rising cost of materials and the difficulty in obtaining supplies and labour reduced the amount of public works which had been planned in the republic, but considerable progress was made. Work was begun on the construction of a transisthmian highway from Panama City to Colon, which is expected to be completed during 1942. The national highway between La Chorrera and Rio Hato was well advanced, although hampered greatly by labour scarcity and wet weather. This road also is expected to be completed in 1942.

### AGRICULTURE

The new Government which took over on October 9 last pledged Panama's aid in every way to the causes of democracy and to full co-operation with the Canal Zone authorities. It also undertook to organize agriculture on a firm foundation. It is proposed to increase agricultural production by instructing producers in modern methods of agriculture and assisting them to obtain required implements. There has been a definite trend in population movement from the rural to the urban centres, resulting in a reduction in agricultural production. It is necessary in normal times to import considerable quantities of foodstuffs, and the problem of obtaining adequate supplies is rendered more difficult under present circumstances. It is with a view to correcting this condition that the Government is offering liberal facilities to farmers through the experimental station and newly formed agricultural bank.

### BUSINESS CONDITIONS

General business throughout the year was well sustained. At times there was some uncertainty, due to new regulations imposed by government decrees, but the increased buying as a result of the increase in employment in the Canal Zone produced a forward movement.

In view of the high cost of living in Panama, the Government announced its intention of lowering the tariff on prime food commodities, particularly those which are not produced locally in sufficient quantities to meet the growing demand, and a commission was appointed for this purpose. Their first act was to reduce the tariff on potatoes from ten to two cents per kilo gross weight.

Towards the end of the year difficulty was experienced in obtaining supplies of many products due to a scarcity of shipping and to priority regulations, and this situation is likely to become worse rather than better.

### NATIONALIZATION OF COMMERCE

On October 28, 1941, the nationalization of commerce went into effect. Under the law certain specified nationals, comprising Japanese, Chinese and

East Indians, Syrians and West Indians, were prohibited from doing business in the republic. Some of the commercial enterprises have continued in operation but under Panamanian ownership. Under the Anglo-Panama commercial treaty the East Indians were granted an extension of time in which to liquidate their businesses, but this extension expires early in 1942.

### BANKING AND CURRENCY

Throughout the year bank collections were reported good with a minimum of requests for extension. Due to the huge expenditures by the United States on construction work in the Canal Zone, there is an abundance of United States currency available with which to pay for imports, and the Republic of Panama has never had to impose exchange control regulations as was found necessary in neighbouring countries.

Under the former Government new Panamanian paper currency was issued for the first time on October 2, 1941, to the amount of \$250,000, but owing to general dissatisfaction, the succeeding Government officially recalled this issue and converted it into silver balboas or United States dollars.

### NEW GOVERNMENT MEASURES

The new Government, in an endeavour to encourage thrift, abolished public gambling soon after taking over power. They also expanded the services of savings banks and established a postal money order system, which enables those gainfully employed in the larger centres to remit money to the interior of the country. Notice was given by the Comptroller-General that the outstanding Olympic Bond issue of about \$359,000, bearing 6 per cent interest, would be redeemed in December. During the year the Government passed a law prohibiting Panamanian residents and business firms from using the Canal Zone post offices. This resulted in a marked increase in the Panama postal system and necessitated taking over additional space by the postal authorities in another building.

Towards the end of 1941 Panama's budget for 1941-42 was presented. This amounted to \$30,127,977, an increase over the amount for the previous similar period of \$7,332,977.

### GASOLINE IMPORTS

Gasoline imports in October reached a new high of 1,206,891 gallons, reflecting the increased use of motor vehicles in the republic. At the end of 1940 there were in the republic and the Canal Zone 12,875 passenger cars, 2,296 motor trucks, 95 motor cycles and 43 trailers, but it is estimated that there was a considerable increase during 1941. Panama and Canal Zone motor vehicles operate on both sides of the boundary and thus are registered in both territories.

The motion picture business reflects the satisfactory economic situation in Panama. Two new theatres were built in Panama City during 1941, making a total of fourteen in Panama City and Colon. One of them, representing an investment of about \$150,000, is air-conditioned and seats 1,220 people. The other, while not air-conditioned, is thoroughly modern in design and equipment and has a seating capacity of 1,600.

### TRANSPORTATION

The importance of Panama as an air transport centre is indicated in the figures issued for the twelve-month period ended June 30, 1941, when a total of 21,020 incoming and outgoing passengers were cleared through Canal Zone airports. This was an increase of 62 per cent over the 12,981 recorded for the preceding year. Air express and mail carried amounted to 655,401 pounds, an

increase of 293,533 over the 1939-40 figure. While air transport lines serving the area are regarded as inadequate, immediate improvement in this situation is improbable owing to the difficulty of obtaining additional equipment.

On the outbreak of hostilities between the United States and the Axis powers, steamship services to Panama were immediately curtailed and, as this situation will likely continue, at least for some time, it is probable that there will be shortages in available supplies of some commodities until new arrangements are made.

## **CONDITIONS IN THE CUBAN AND DOMINICAN REPUBLIC DRIED AND SMOKED FISH MARKETS**

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### **Cuba**

Havana, February 15, 1942.—No change of any importance either in the demand or in the price level occurred during the past month.

#### **HAVANA MARKET**

A recent strike of workmen in the Havana slaughter-houses completely cut off the city's fresh beef supplies and was no doubt the cause of a sharp increase in the demand for dried salt fish. During this period stocks of codfish held by Havana importers were practically exhausted, and this was followed by a rush of orders for replacements. However, with the termination of the strike, which lasted about one week, the market has again become normal and it will no doubt continue so until such time as prices become considerably lower. It is considered that sufficient codfish is now being offered by Canada to meet the local demand. Present prices for imperial and large codfish are \$17 and \$16.50 respectively c.i.f. Havana.

#### **SANTIAGO DE CUBA**

No change is reported in this market since the previous monthly review. Current quotations for medium and small cod in drums of 128 pounds are \$15.50 and \$15 respectively c.i.f. Santiago de Cuba.

### **Dominican Republic**

The sugar-milling season is now in full swing, with maximum employment in the cane fields. As the whole of the Dominican sugar crop has been sold to the British Government, it was expected that the prospect of assured employment would have resulted in increased fish sales in the republic. On the contrary, sales have decreased by about one-third of normal and it is now becoming clear that the high prices of all kinds of dried and smoked fish have passed the point where such fish are able to compete with other domestic foodstuffs of similar food value. However, it is possible that some increase in sales may take place shortly in preparation for the Lenten season. During January the prices of all types showed further increases beyond those reported on January 15. All prices quoted hereunder are those which were current on February 1.

Newfoundland prices for new-pack Labrador semi-dried codfish increased to \$14.50 c.i.f., at which figure a few hundred drums have been sold. No pollock was sold during January, but the prevailing price increased by about 50 cents to \$14.50 c.i.f. There were likewise no sales of hake during the month, although importers would be prepared to offer around \$13.50 c.i.f., which is an advance



of 75 cents over the price reported last month. Similarly very little business has been done in haddock, but the price of this fish has increased by 50 cents to \$14.50 c.i.f.

The drop in consumption has been much more marked in the case of dried salt fish than in smoked fish, despite the notable price increases in the latter during the past four months. Whereas at the beginning of October bloaters 90/110 were quoted at \$1.07 per box c.i.f., the resale price at the beginning of February ranged between \$2.40 and \$2.45, equivalent to \$2.15 to \$2.20 per box c.i.f. This increase, in excess of 100 per cent since October, has reduced sales, but not to the extent of the one-third which took place in the case of dried salt fish.

## CONTROL OF EXPORTS FROM CANADA

### AMENDMENT TO REGULATIONS

Effective February 25, 1942, Regulation 34 of the Export Permit Regulations is cancelled and the following is substituted therefor:

Export permits are not required for any article or material consigned to official representatives of the Government of the United Kingdom or their order; or for any article or material ordered, diverted or exported by the Department of Munitions and Supply, the Department of National Defence, the Department of National Defence Air Services, the Department of National Defence Naval Services or their respective Forwarding Officer, Ordnance Transit Officer or Air Embarkation Staff Officer; the Transport Controller of the Department of Transport; the Ministry of Supply for the United Kingdom; the Inspection Board of the United Kingdom in Canada; or the British Ministry of War Transport.

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### DUTIES SUSPENDED ON BINDER TWINE AND AGRICULTURAL IMPLEMENTS

The duty in Ireland (Eire) on binder twine and certain yarns, suspended on May 31, 1941, to the end of the year, was by an order of December 12, 1941, further suspended until June 30, 1942. The duty formerly in effect was 33½ per cent ad valorem on imports from Canada or the United Kingdom and 50 per cent ad valorem on those from other countries.

A suspension of duty on agricultural machinery and parts (plough parts not of steel excluded), effective July 16, 1941, to the end of the year, was also extended to June 30, 1942. The former rate was 25 per cent on imports of Empire origin and 33½ per cent when from non-Empire countries.

#### LICENCE FOR MANUFACTURED TOBACCO SUSPENDED

An Order of December 30, 1941, suspended until June 30, 1942, operation of Section 55 of the Tobacco Act, 1934, thus permitting manufactured tobacco, including cigars, cigarettes and snuff, to be imported into Eire without licence.

### Australia

#### MANUFACTURE OF CERTAIN PRODUCTS CURTAILED

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia, cabled on February 24 that new Australian regulations prohibit the manufacture of an extensive list of goods regarded as non-essential; there is to be production for government service only. The restricted list includes washing machines, refrigerators, vacuum cleaners, and similar items.

**Trinidad**

**DISPOSAL OF PERISHABLE GOODS NOT PROMPTLY CLEARED**

Mr. G. A. Newman, Canadian Trade Commissioner in Port of Spain, reports that a Trinidad regulation, gazetted February 19 under the Emergency Defence Laws, amends the Principal Regulations governing loading and unloading of vessels. It says that, with respect to perishable goods landed on government wharves, the Competent Authority may, after three days, sell them when in his judgment the goods would be materially lessened in value by being retained, and whether or not he has notice of the non-payment of freight or notice to retain the goods. The regulation is the direct outcome of 300 barrels of Canadian potatoes being lost on account of not being claimed in time at the local customs warehouse. When the Competent Authority sells any goods in exercise of this power, he is to apply the proceeds, so far as they suffice, in the first place in payment of any customs duties and expenses of the sale, and then in payment of freight, if the Competent Authority has been notified in writing of the claim. The surplus (if any) of the proceeds and the unsold goods (if any) go to the person who, in the opinion of the Competent Authority, appears to be entitled to them.

**Argentina**

**EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES**

Dr. J. C. Rollino, Acting Consul General of Argentina in Montreal, writes that the present rate of exchange for the purpose of the collection of Argentine consular fees is \$26.838 Canadian per 100 Argentine pesos.

**Peru**

**DUTIES INCREASED ON PAPER PRODUCTS**

Mr. W. G. Stark, Assistant Trade Commissioner in Lima, writes that, by a Peruvian decree of January 30, 1942, rates of duty on certain paper products have been increased. The reason given for the increase is that the Peruvian printing industry needs protection and that duties levied on manufactured paper products have in some cases been lower than on the raw materials needed to produce them in Peru. The former and new basic duties on some of the products affected are shown in the following table, the description of the goods being slightly abbreviated:—

	Former Basic Duty	New Basic Duty
	Soles per Kilogram	
Leaf calendars . . . . .	0.80	2.00
Note books or agendas with inscriptions . . . . .	1.20	2.00
Albums with cardboard binding, paper covered . . . . .	1.50	2.50
Albums covered with leather or fabric other than silk . . . . .	1.80	3.50
Advertisements, catalogues, prospectuses, almanacs, etchings, engravings, posters . . . . .	0.20	1.00
Bags of sulphite, kraft or similar papers . . . . .	0 20	0.50
Bags of cellophane . . . . .	0.85	1.50
Cardboard boxes, ordinary, uncovered . . . . .	0.25	0.70
Same, covered . . . . .	0.30	1.00
Boxes, paraffined, for butter . . . . .	0.12	0.75
Cardboard, prepared for capping bottles . . . . .	0.12	0.70
Cardboard, cut for tickets and similar purposes . . . . .	0.40	2.00
Cardboard, printed . . . . .	0.80	2.50
Exercise books for school children, containing up to 30 sheets . . . . .	0.13	0.40
Exercise books, with models of handwriting or drawing . . . . .	Free	0.50
Exercise books, blank, for drawing . . . . .	0.35	0.60
Exercise books, other, up to 40 by 25 cms., also sales books . . . . .	0.40	1.00
Prints, chromos, engravings, photo-engravings, lithographs, and oleographs, unframed . . . . .	3.00	5.00
Same, with paper or pulp frames . . . . .	1.00	6.00

*Argentine Duties on Paper Products—Concluded*

	Former Basic Duty Soles per	New Basic Duty Kilogram
Envelopes for bottles or flasks . . . . .	0.20	0.50
Blank books, with common binding . . . . .	1.50	3.00
Blank books for press-copying . . . . .	0.70	1.40
Paper in rolls for telegraphs, comptometers and similar . . . . .	0.15	0.50
Paper, ruled . . . . .	0.60	1.60
Paper, gummed . . . . .	0.50	1.00
Paper forms (promissory notes, invoices, accounts, receipts, memoranda and similar) . . . . .	3.00	10.00
Paper forms (cheques, policies, shares, bonds and similar) . . . . .	15.00	30.00
Paper for measuring and registering machines . . . . .	1.00	6.00
Packing bags . . . . .	0.03	0.13
Envelopes . . . . .	0.70	1.00
Envelopes with heading, decorated or mourning envelopes . . . . .	1.20	5.00
Cards, blank . . . . .	1.50	5.00
Cards, with headings . . . . .	4.00	10.00

The Peruvian sol equals approximately 17.1 cents Canadian at the present rate of exchange; one kilogram equals 2.204 pounds.

The former basic rates of duty were increased by 20 per cent of the duty by a decree effective December 22, 1941 (see *Commercial Intelligence Journal* No. 1981: January 17, 1942, page 68). The new basic rates, however, include the 20 per cent increase and, according to the Superintendent of Customs at Callao, are not subject to an additional 20 per cent increase.

According to the official trade returns for 1940, the last year for which complete statistics are available, imports into Peru from Canada of the above-listed products were confined to leaf calendars, 375 soles; paper for measuring and registering machines, 22,268 soles; and packing bags, reinforced or not, 34,295 soles. Other paper items imported into Peru from Canada and on which the duties have not been increased by the foregoing decree were, for 1940: cardboard coated with tar or bitumen, for roofs, etc., 34,964 soles; printed books and pamphlets of all kinds, 13,448 soles; paper, single coloured, of any kind, not specified, 32,588 soles; paper on reels, 18,852 soles; newsprint, 2,710,937 soles; wallpaper, all kinds, 39,492 soles; and wood-pulp for the manufacture of paper, 33,437 soles.

**Chile****ADDITIONAL DUTY ON LUXURY GOODS**

Mr. W. G. Stark, Assistant Trade Commissioner in Lima, writes that under a Chilean law of December 31, 1941, an extra duty of 10 per cent ad valorem, in addition to customs duties and other charges, is imposed on the import into Chile of the following luxury goods: jewellery and fancy goods (objets d'art); passenger automobiles, the f.o.b. Chilean port price of which is more than U.S.\$1,200; pianolas, radios with their parts and accessories, gramophones, records, and other mechanical musical instruments; firearms of any kind; furs, made up or not; silk goods of any kind; furniture and household goods; crystal-ware; clothing; hats; perfumes and cosmetics; rugs, tapestry and carpets; wines and spirits. The tax is levied on the landed value of the goods plus duties.

**EXCHANGE CONDITIONS IN CHILE****W. G. STARK, ASSISTANT TRADE COMMISSIONER**

Lima, February 20, 1942.—During 1941 there was little change in the strict system of control of imports and exchange that is maintained in Chile. Various regulations have been amended, mostly with a tightening effect upon exchange available. This republic has suffered severely from the cutting off of trade from and to Europe, with the consequent reduction in the amount of foreign



exchange available to pay for necessary imports. It is hoped that in 1942 the increased exports of strategic materials to the United States will help to ameliorate the situation. The demand for dollars still exceeds the supply and, therefore, Canadian shippers of merchandise to Chile must anticipate some delay in payments of amounts owing them. A policy of reasonable caution is advocated, and balances outstanding should not be allowed to reach too high totals.

In the granting of exchange, preference is given to applications to import raw materials and prime necessities, such as wood-pulp for the production of paper, yarns for the textile mills, pharmaceuticals, equipment for the state railways, gasoline, sugar for the refineries, and repairs for machinery already in operation. Applications to bring in increased quantities of non-essential and luxury goods are discouraged.

### DOLLAR EXCHANGE

For practical purposes there are two main rates of exchange at which payments are made for imports of goods into Chile. The first is the export draft rate, which the Exchange Control Commission has fixed at 24·90 Chilean pesos buying and 25 pesos selling for regular import and export business. This type of exchange is utilized for imports of raw materials and prime necessities, and invariably the applications on hand exceed the dollars available at this rate, the current delay being approximately six weeks.

The second principal rate is the D.P. (now extended to include gold, mining, agricultural, and free exchange), which after authorization by the Commission can be purchased at 31 Chilean pesos to the United States dollar. This exchange is used principally for the purchase of luxury goods and certain other articles which the Commission designates. According to advice recently received, the supply of D.P. dollars is not as plentiful as heretofore, and there is a delay of approximately one week, and in some cases slightly more, before these are made available for payment for imports.

### IMPORT QUOTAS

Permits for most imports are granted on a quota basis, the amount allowed to any one importer depending upon his importations of the commodity in question during the last two years. Importers should experience no difficulty in obtaining permission to bring in goods from Canada, provided such quotas have not already been filled from other countries. The chief point to be observed, however, is that payment be obtained for the goods, since in general and for some time the Exchange Control Commission has refused to grant exchange until the merchandise ordered has arrived in Chile. Even after delivery at the customs warehouse a delay of approximately six weeks is experienced in most cases. Canadian exporters, therefore, in order to protect themselves as far as possible, should give instructions that shipments are to be released only against payment in United States dollars.

### TERMS

Payments for imports from Canada into Chile are dependent on the granting of United States dollar exchange, which is subject to the delays mentioned above. Due to the ruling of the Commission that exchange cannot be granted until the goods have arrived in Chile, it is possible only under very exceptional circumstances—and impossible for some importers—to open a letter of credit. In the case of some exporters to Chile it has been possible to arrange, and they have been willing to accept, a deposit of Chilean pesos to cover full dollar amount of the order before shipment of the material. The goods are then forwarded upon receipt of advice from a recognized banking institution in Chile that such a deposit has been made. Dollars are then provided against the presentation of a sight draft on the arrival of the goods in Chile, and all expenses involved

through fluctuations in exchange, collection charges, etc., are for the account of the purchaser. However, these conditions apply only to Chilean national concerns whose financial standing is beyond question.

At present, therefore, it is not recommended that better terms than cash against documents be granted other than to large, old-established firms that may have funds available abroad through their own export activities. The exercise of caution is advisable, and care should be taken that amounts owing do not exceed a reasonable sum.

### QUOTATIONS

When making quotations to Chilean concerns, shippers in Canada are advised to quote prices in United States dollars as, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This precludes any confusion between the official and non-official rates for Canadian dollars in American funds as well as expressing prices in the medium of exchange which is most common in this market. If it is necessary to quote in Canadian dollars, however, a clear indication should be given of the exchange allowance granted to convert these offers into American funds.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 2, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 2, 1942, and for the week ending Monday, Feb. 23, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 23	Nominal Quotations in Montreal Week ending Mar. 2	Official Bank Rate
Great Britain...	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States...	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico .....	Peso	.4985	.2282	.2282	4
Jamaica .....	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina .....	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2615	.2625	—
Brazil .....	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana .....	Dollar	1.0138	.9313	.9313	—
Chile .....	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia .....	Peso	.9733	.6326	.6326	4
Uruguay .....	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5859	.5849	—
South Africa .....	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt .....	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India .....	Rupee	.3650	.3359	.3359	—
Straits Settlements .....	Dollar	.5678	.....	.....	—
Australia .....	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand .....	Pound	4.8666			
		Bid	3.5440	3.5440	2
		Offer	3.5940	3.5940	—

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER

MAR 19 1942

## “ CANADA 1942 ”

The publication is announced by the Dominion Bureau of Statistics of the 1942 edition of the Official Handbook of Canada.

“ Canada 1942 ” covers the present situation in the Dominion from Atlantic to Pacific, the weight of emphasis being placed on those aspects which are currently of most importance. So far as space permits, all phases of the country's economic organization are dealt with and statistics are brought up to the latest possible moment. The text is accompanied by a wealth of illustrative matter which adds to the interest of the subjects treated.

The Introduction reviews Canada's war effort, covering the development of her armed forces, the financial steps that have been taken and the governmental organizations that have been created and their principal activities. It also reviews Canada's economic condition at the close of 1941. This Introduction is followed by a special article dealing with Canada's attractions for the vacationist, which is accompanied by a four-page scenic insert in colour.

The economic survey is covered in seventeen chapters dealing with population, production, trade, manufactures, transportation, labour, finance, education, etc.

The price of the publication is 25 cents per copy, which charge covers merely the cost of paper and actual press work. Application for regular priced copies should be made to the King's Printer, Ottawa.

A special price concession has been authorized in the case of teachers, bona fide students, and ministers of religion, since past experience has shown that considerable use has been made of this publication for educational purposes, and it is the policy of the Minister to encourage such use. To such individuals, therefore, the price is set at 10 cents for one copy. Application for copies under this special distribution should be addressed to the Dominion Statistician, Ottawa.

Postage stamps are not acceptable, and applications must be accompanied by a postal note or by the appropriate coin enclosed between two squares of thin cardboard gummed together at the edges.

## BRAZILIAN MARKET FOR FISHERY PRODUCTS

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

(The Brazilian milreis (1,000 reis) equals 5.69 cents Canadian at current rate of exchange; one conto of reis equals 1,000 milreis; one kilo equals 2.204 pounds; one metric ton (1,000 kilos) equals 2,204 pounds.)

Rio de Janeiro, January 21, 1942.—The fishing industry of Brazil is undeveloped, although the coastal and inland waters abound in unnumbered varieties of edible fish. Of those found in the Amazon river alone, 1,800 species have been classified. Statistical details of the industry are extremely meagre, but in 1938 a total of 31,283 boats of every description, from canoes to motor seiners, were registered as being used for fishing throughout the territorial waters of Brazil.

For some years Rio de Janeiro has maintained a fish entrepôt through which the greater part of the fish caught in local waters enters the market for consumption. The following table indicates the volume and value of fish passing through this entrepôt.

	Tons	Contos of Reis	Dollars
1934 . . . . .	3,807	16,747	1,390,000
1935 . . . . .	8,971	17,955	1,120,000
1936 . . . . .	15,942	22,255	1,490,000
1937 . . . . .	15,649	23,830	1,475,000
1938 . . . . .	16,275	26,658	1,515,000



The Brazilian Government has for some years encouraged the development of the fishing industry and is endeavouring to promote greater use of Brazilian fish, not only in the fresh state but also preserved in various ways such as canned, smoked, dried, salted, and pickled. This has been carried out by research, publicity and direct aid to fishermen. In Rio de Janeiro a new entrepôt has just been established which is equipped with the most modern freezing and refrigeration apparatus. Funds for this work are obtained from the super tax of 300 reis per kilo levied on all imported fish products.

Brazil has a population of some 43 millions but, as average purchasing power is extremely low, the price factor is of paramount importance. Brazil is predominately Catholic, which tends to increase fish consumption, particularly during those seasons when the use of meat is restricted. Climatic conditions may also have a tendency to increase the consumption of fish, although Brazilians are heavy consumers of meat. In 1938 the production of meat totalled 1,182,887 metric tons, of which 80,180 tons were exported. Domestic consumption was therefore approximately 1,102,700 tons, or 56 pounds per capita. Climatic conditions adversely affect the consumption of fish, since tropical or semi-tropical temperatures prevail throughout the greater part of Brazil, and refrigeration is not yet generally in use.

#### DUTIES ON FISH AND FISH PRODUCTS

Under a Trade Agreement between Canada and Brazil, signed October 17, 1941, Canada and Brazil exchange most-favoured-nation treatment in tariff matters. Canada is, consequently, accorded any conventional rates of duty in force in Brazil or, where no conventional rate is indicated, the minimum tariff. Duties on fish and fish products imported into Brazil are as follows:—

	General Tariff Milreis	Minimum Tariff Milreis	Conventional Tariff Milreis
Fish, fresh by refrigerating or any other process per kilo	0.90	0.70	....
Cod and saithe:			
Dried and salted, with bones . . . . . per metric ton	550.0	440.0	....
Dried and salted, boned . . . . . per kilo	0.90	0.70	....
Any other dry salt fish, and salted or pickled fish per kilo	1.40	1.10	....
Fish, preserved by any other process:			
Salmon . . . . . per kilo	9.60	7.80	3.12
Sardines, sprats, brislings and other small fish, and herrings . . . . . per kilo	4.00	3.20	3.12
Any other kinds . . . . . per kilo	9.60	7.80	....
Shellfish and molluscs:			
Fresh by refrigerating or other process . . . . . per kilo	1.40	1.10	....
Salt or in brine . . . . . per kilo	2.00	1.60	....
Preserved by any other method of preparation per kilo	10.20	8.30	....
Cod liver or fish liver oil . . . . . per kilo	5.20	4.20	....
Roes:			
Fresh by refrigeration or other process, in brine, salted or smoked . . . . . per kilo	2.00	1.60	....
Preserved by any other process . . . . . per kilo	12.80	10.40	....
Fish glue . . . . . per kilo	6.40	5.20	....

In addition to the duties quoted above, the following extra charges apply on imports into Brazil:—

Surtax . . . . .	10% of duty
Social welfare tax . . . . .	2% ad valorem*
Exchange tax . . . . .	5% ad valorem
Special tax on all articles, alimentary or not, originating from fish . . . . .	0.30 milreis per kilo*
Consumption tax:	
Dried codfish and other similar fish, such as hake, saithe, pollock, etc. . . . .	0.20 milreis per kilo
Other preserved fish and shellfish . . . . .	0.40 milreis per kilo

\* Goods imported under conventional rates of duty are not subject to this tax.

### FRESH FISH

Although, as mentioned above, there is a wide variety and an unlimited supply of fish in Brazilian waters, there is a steady but comparatively unimportant, from the national point of view, demand for imported fresh frozen fish, due to the fact that certain fish caught in northern waters are not found in Brazil. Sales are limited to these types and constitute purely a luxury trade.

The most important items are frozen fillets of sole, salmon, and small quantities of cod and haddock, and Rio de Janeiro offers the only outlet. Poor transportation and refrigeration facilities, coupled with the fact that the bulk of that part of the population, permanent or transient, in a position to pay the high prices demanded for such luxuries is centred in the Capital, exclude other centres from being profitable markets. Imports of frozen fish are included under the general classification of "preserved fish not otherwise classified," and separate import statistics are, therefore, not available.

### DRIED SALTED FISH

Price and keeping qualities are important factors affecting sales of fish in Brazil. The various types of dry cured fish most adequately meet requirements and find a ready market.

Efforts have been made to cure fish caught locally, but so far without success. For all fish cured similarly to codfish the generic term "bacalhau", which really means codfish, is used. Bacalhau, which might be termed the staple imported food of Brazil, is consumed alike by rich and poor, but those in the lower income groups consume 90 per cent of the supplies. Price variations have an important influence on purchases.

The greatest competitor to bacalhau is xarque (pronounced sharky), which is dried beef. Mutton and pork are also available in this form but do not influence the sale of bacalhau as does dried beef. When the price of xarque is low, fish imports decline; when it is high or there is a scarcity, the converse is true.

A second factor which seriously effects the consumption of codfish is the relative cost and abundance of olive oil. Although dried fish is prepared for the table in several different ways, the bulk of it is cooked in olive oil or served with oil. A shortage of oil or an increase in price is always reflected in codfish consumption.

### IMPORTS

An examination of import statistics over the past twenty years shows a steady increase in volume and value up to 1928 when 41,103 tons valued at \$9,704,000 were imported. It was during this period that coffee prices were high and money was plentiful. Following the slump in coffee returns and the world economic crisis, money became scarce among the mass of the population of Brazil, with the result codfish was beyond the purchasing power of many.

The bulk of the imports was consistently from the United Kingdom and Newfoundland, Canada and Norway supplying the greater part of the remainder. In 1935 Iceland began to ship to Brazil and within a year had assumed a position equal in importance to Norway's.

Brazil may be divided into three main marketing centres; the north, served by the ports of Recife, Baía and Maceió; the central, served by Rio de Janeiro; and São Paulo, served through Santos. The northern area has always been the stronghold of Newfoundland fishermen, who have been accustomed to trading with these Brazilian ports by schooner. A certain amount of United Kingdom and Norwegian fish also found its way to these ports, but the bulk of these shipments usually entered through Rio de Janeiro or Santos. Rio de Janeiro has always been primarily a United Kingdom market, and when a few years ago the



Newfoundland shippers endeavoured to break into it, they found great difficulty in overcoming (and never did entirely) the deep-rooted prejudice in favour of the British, and later the Icelandic, hard white cure. São Paulo, on the other hand, probably because of its large Italian population, has always shown a preference for the milder, softer and darker cured Canadian and Norwegian fish. Norwegian fish was sold on the Rio market, but only in relatively small quantities and to special houses. Newfoundland fish found a ready market in São Paulo.

Canadian fish has always been known on this market, but the bulk of the imports have found their way into São Paulo for the reason given above. Canadian fish is, however, almost inevitably higher priced than fish from other sources. Brazil being primarily a price market, sales of Canadian fish have gradually decreased. In 1935 only \$7,000 worth was imported.

The following tables show Brazilian imports of codfish by volume and value for the years 1921, 1930 and 1935 to 1940 from principal sources of supply:—

*Brazilian Imports of Codfish by Volume*

	1921	1930	1935	1936	1937	1938	1939	1940
	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons
Total .. . . .	17,320	35,482	17,158	22,995	21,069	15,347	16,117	16,121
United States .. . . .	562	256	462	7	21	.....	12	33
Great Britain .. . . .	970	10,373	3,841	4,895	6,506	4,576	3,809	2,162
Norway .. . . .	2,432	6,418	1,683	1,634	2,154	594	1,525	655
Canada .. . . .	4,277	1,600	62	193	753	484	301	221
Newfoundland .. . . .	9,367	15,418	10,308	14,968	10,339	7,405	7,718	11,006
France .. . . .	.....	780	14	12	.....	.....	.....	.....
Iceland .. . . .	.....	377	714	1,239	1,129	2,206	2,728	1,934
Japan .. . . .	.....	2	6	14	45	5	18	8
Portugal .. . . .	.....	6	44	23	9	4	5	2
Denmark .. . . .	.....	.....	2	10	96	73	.....	.....

*Brazilian Imports of Codfish by Value*

	1921	1930	1935	1936	1937	1938	1939	1940
	\$	\$	\$	\$	\$	\$	\$	\$
Total .. . . .	35,062,217	69,004,862	2,184,705	2,894,335	3,173,880	2,277,588	2,122,102	2,292,964
United States .. . . .	1,028,380	393,363	61,000	832	3,389	.....	1,496	5,849
Great Britain .. . . .	2,678,164	21,927,073	600,000	743,697	1,027,498	772,800	588,312	384,539
Norway .. . . .	5,394,796	12,999,723	245,000	245,528	337,175	103,250	241,391	102,731
Canada .. . . .	8,577,971	2,862,279	7,400	23,005	107,732	67,690	35,004	35,614
Newfoundland .. . . .	16,869,457	28,159,563	1,150,000	1,685,442	1,493,030	989,000	889,356	1,477,324
France .. . . .	.....	1,418,025	2,500	1,987	.....	.....	.....	.....
Iceland .. . . .	.....	717,041	104,000	184,459	171,080	330,900	361,477	285,163
Japan .. . . .	.....	6,989	690	2,108	6,908	900	2,974	1,042
Portugal .. . . .	.....	16,803	9,400	5,686	3,562	1,758	1,932	702
Denmark .. . . .	.....	.....	425	1,491	14,856	11,290	.....	.....

CURRENT MARKET CONDITIONS

At present bacalhau is scarce, and prices are high. This has combined to reduce imports to a very low level. For the period January to November, 1941, imports totalled 5,131 tons valued at 20,693 contos of reis as against 14,170 tons valued at 39,564 contos of reis during the same period of 1940. The unit value in 1940 was 2·790 milreis per kilo; in 1941 this increased to 4·060 milreis per kilo. This increased price resulted in the elimination of a large number of the marginal consumers, but there is still a considerable and only partially satisfied demand at the high prices prevailing. Most recent quotations work out at approximately 5·880 milreis per kilo.

MARKET PREFERENCES

As stated previously, the term "bacalhau" is applied to all dry salt fish. Brazilians prefer codfish but, as cod is a more expensive fish than hake or pollock, the former is more of a luxury article and is only consumed by the more well-to-do middle and wealthy classes. There is a steady year-round sale for cod to meet



the demand of this portion of the population. Since the Catholic religion predominates in Brazil, there are certain seasonal sales peaks, particularly the Lenten period. At these times there is a demand from a large section of the public who during other seasons do not or cannot afford to buy imported dry fish. The demand for the coarser types of fish also increases during these periods.

All fish for this market should be cured as light in colour as possible and thoroughly hard. Heavy salting is not desirable. The fish should be prepared by being split down the belly, with head removed but napes and tail left on.

#### PACKING

The standard pack for the Rio de Janeiro and São Paulo markets is in cases of 58 kilos net and half-cases of 29 kilos net. The northern market is accustomed to the barrel and half-barrel and, in order to facilitate inland transportation, this package is most convenient. Mechanized transportation is not well developed, and the barrels are easily transported by tying one on either side of a mule. In the south, however, the case is preferred, as it is easier to store and transport by truck or rail. However, some barrels are imported. Recently bales have been used but they are not well received.

In the north the Newfoundland method of grading is customary but the southern markets are accustomed to the standard Norwegian grades as follows: Extra Porto, 20 to 22 fish of 2 kilos upward per full case; Porto, 24 to 28 fish of 2 kilos upward per full case; Imperial, each fish of 65 to 80 cms. weighing up to 2 kilos; Imperial Medium, each fish of 55 to 65 cms.; Imperial Small, each fish of 55 cms.; Regular, each fish of 65 to 75 cms. or more and up to 2 kilos; Regular Medium, each fish of 65 cms.

A certain amount of boneless cod or cod fillets is imported but, owing to the high duties, this is purely a luxury article, and there is only a small outlet for it through specialty dealers and the better-class hotels, restaurants and clubs. Before the outbreak of war Portugal was the only source of supply for fillets of cod, but during the past eighteen months Canada has been meeting a greater proportion of the requirements of the market.

#### OTHER SALT, PICKLED OR SMOKED FISH

Codfish or bacalhau accounts for practically the whole of the imports of fish of this type, so far as bulk trade is concerned. There are, however, regular but small sales of other types of fish.

*Haddock.*—Through specialty shops, catering chiefly to the English-speaking population, there is a steady demand for smoked haddock or finnan haddie. The Scottish packers have heretofore monopolized the sales but, owing to transportation difficulties, Canadian shippers have been afforded an opportunity of supplying the market. The results have been very satisfactory, and it is expected that the demand for Canadian fish will continue.

*Salmon.*—There is a small market in Brazil for smoked salmon, filleted for use as hors d'œuvre. This again is purely a luxury trade through a few specialty outlets in Rio de Janeiro and São Paulo to meet a demand from the wealthier classes and hotels, restaurants and clubs.

*Herrings.*—Kipperred herrings find a ready market in small quantities throughout the year, particularly among European and North Americans. Kippers should be well smoked, of large size and 9 inches and upward in length. Small fish are practically unsalable. The sale of pickled herrings is largely confined to the Jewish colony. This is a very small trade, and supplies are as a rule obtained from Portugal. There is little or no demand for other fish. A few cases of smoked eels may be imported each year but, as a rule, purchases are made through merchant houses in New York and the United Kingdom or on the Continent.

## CANNED AND PRESERVED FISH

Until the year 1924 all types of fish, with the exception of bacalhau, was classified in the Brazilian trade returns under the general heading "fish and fish products". Beginning in 1925 the figures for sardines, the most important single item among fish imports with the exception of bacalhau, were shown separately. An average of 300 tons of sardines is imported annually.

## IMPORTS

The following tables show, by volume and value, the imports of canned fish by principal countries of supply for the years 1930 and 1935 to 1940:—

*Brazilian Imports of Canned Fish by Volume*

	1930	1935	1936	1937	1938	1939	1940
	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons	M. Tons
Total . . . . .	623	543	823	773	385	416	231
United States . . . . .	21	9	11	11	2	3	12
France . . . . .	4	.....	2	6	4	3	2
Great Britain . . . . .	101	.....	.....	.....	.....	.....	.....
Spain . . . . .	220	111	130	11	.....	11	.....
Japan . . . . .	25	.....	2	13	8	6	23
Norway . . . . .	5	1	5	1	2	.....	.....
Portugal . . . . .	11	422	667	730	369	393	194

*Brazilian Imports of Canned Fish by Value*

	1930	1935	1936	1937	1938	1939	1940
	\$	\$	\$	\$	\$	\$	\$
Total . . . . .	1,971,356	203,170	316,639	290,876	168,524	174,963	106,221
United States . . . . .	156,470	1,350	1,512	1,864	454	631	2,429
France . . . . .	49,263	.....	2,474	5,173	2,835	1,521	1,742
Great Britain . . . . .	354,957	.....	.....	.....	.....	.....	.....
Spain . . . . .	536,463	41,900	51,435	6,081	.....	3,694	.....
Japan . . . . .	154,211	.....	446	2,630	1,645	1,608	7,845
Norway . . . . .	9,744	920	3,342	1,012	1,190	.....	.....
Portugal . . . . .	79,842	159,000	254,759	273,795	162,400	167,509	94,206

It will be noted in the foregoing tables that Portugal has been the source of the bulk of the imports, the Portuguese type of fish being preferred in this market. The fish are usually packed in pure olive oil or a mixture of olive and peanut oil, in the proportion of 70 to 30. Capacities of tins are  $\frac{1}{8}$ ,  $\frac{1}{4}$ ,  $\frac{1}{2}$  and 1 pound, the  $\frac{1}{4}$ -pound and  $\frac{1}{2}$ -pound tins being in greatest demand. The  $\frac{1}{4}$ -pound tin usually contains approximately six fish and the  $\frac{1}{2}$ -pound tin twelve fish. One hundred tins are packed to a case, and should be keyed, although it is not necessary to have a key attached to each can; it is the usual practice to include about thirty-five keys in each case.

There has been a steady decline in imports of "other preserved fish." The peak year for imports was 1925 when 817 tons valued at \$356,000 were imported, decreasing to 73 tons valued at \$34,000 in 1940. Under this heading are included such fish as canned salmon, lobster, crab, and herrings. It also includes the fancier products, such as anchovies, of which imports are fairly heavy, fish pastes and other fish preparations for canapes, etc.

Canned salmon is, of course, of the most interest to Canada. Some indication of the size of the market is provided by the figure for the value of imports from the United States, which for 1938, was \$8,730. Even if this represented all salmon, it would still indicate a small market. However, there are also included under this heading California sardines, pilchards and other fish products that are imported in small quantities from the large packing companies. One of the objectives of the Brazilian-American trade agreement was the development of the Brazilian market for canned salmon, and tariff concessions were granted for salmon from the United States. There was a slight increase in imports subsequent to the signing of this agreement, but in 1940 the total value of imports of all preserved fish was \$7,268.



Canadian lobsters are far too expensive to be sold in Brazil. The only sales of this class of product are of Japanese crab, and it is quite possible that the greater percentage of the imports from Japan were made up of crab. On the other hand, however, with the very large Japanese colony in the State of São Paulo, it is likely that a large percentage of these imports consisted of national Japanese fish foods brought in by the Japanese.

### FISH PRODUCTS

*Fish Oils.*—Brazilian statistics do not separately classify fish oils but group them under the heading "animal oils". There is, however, a marked demand for medicinal cod liver oil. The oil should be clear straw yellow in colour and should have a vitamin content of 2,000 international units vitamin A and 100 units vitamin D per gram.

Attempts have been made to introduce other medicinal fish oils, such as halibut, but without any marked success to date. Cod liver oil has been advertised in Brazil, and the difficulty in educating the people to accept another oil as a substitute is extremely great. Coupled with this is the fact that cod liver oil has been plentiful up to the present, and no difficulty has been experienced in obtaining necessary supplies.

*Other Fish Products.*—There is no demand for other fish products, such as offal and fish meal, either for stock feeding or fertilizers.

## FOREIGN TRADE OF THE UNITED STATES, JANUARY TO SEPTEMBER, 1941

D. S. COLE, CANADIAN TRADE COMMISSIONER

### II. Import Trade

The total value of imports into the United States for the first nine months of 1941 amounted to \$2,315,787,000 as compared with \$1,872,196,000 in the corresponding period of 1940, a gain of 23.7 per cent. The value of imports from five of the six grand divisions of the world for the first nine months of the year showed substantial increases over the 1940 nine-month period, ranging from 15 per cent for Asia to 280 per cent for Oceania. Imports from Europe declined by 31 per cent.

The following table shows the values of United States imports from British Empire countries and other principal foreign countries for the January-September period of 1941 as compared with the corresponding period of 1940:—

#### *United States Imports from British Empire and Other Principal Countries*

	Jan.-Sept., 1941	Jan.-Sept., 1940	Inc. (+) or Dec. (—) Per Cent
British Empire Countries—			
Canada .....	\$386,195,000	\$291,050,000	+ 33.0
British Malaya .....	267,189,000	193,794,000	+ 38.0
United Kingdom .....	103,354,000	101,225,000	+ 2.1
British India .....	82,166,000	78,823,000	+ 4.2
Australia .....	69,137,000	14,550,000	+375.0
British South Africa .....	41,823,000	40,768,000	+ 3.2
New Zealand .....	9,978,000	6,219,000	+ 60.0
Other principal countries—			
Netherlands Indies .....	159,628,000	122,441,000	+ 30.0
Argentina .....	116,877,000	58,534,000	+100.0
Brazil .....	113,753,000	72,746,000	+ 56.0
Japan .....	79,106,000	103,120,000	— 23.0
Chile .....	74,435,000	41,074,000	+ 81.0
Mexico .....	73,251,000	46,406,000	+ 56.0
China .....	62,521,000	67,077,000	— 6.8
Venezuela .....	34,820,000	26,849,000	+ 30.0
Colombia .....	32,753,000	36,410,000	— 10.0
Belgian Congo .....	25,485,000	9,415,000	+164.0
Russia .....	20,813,000	17,280,000	+ 20.0



The British Empire supplied close to 50 per cent of United States imports for the first nine months of 1941. Imports from Canada were valued at \$386,195,000 as compared with \$291,050,000 in the like period of 1940, a gain of 33 per cent. British Malaya, the second largest supplier, shipped imports valued at \$267,189,000, a gain of 38 per cent, while shipments from the United Kingdom, valued at \$103,354,000, were 2.1 per cent above the value for the 1940 period. Imports from Australia, South Africa, Ceylon, West Africa and New Zealand showed gains, while receipts from British East Africa declined.

The Netherlands Indies, the third largest source of supply, is credited with imports to the value of \$159,628,000 during the January-September period of 1941, a gain of 30 per cent. Imports from Argentina, valued at \$116,877,000, were up 100 per cent, and those from the Belgian Congo, valued at \$25,485,000, increased by 164 per cent. Smaller gains were recorded in receipts from Chile, Brazil, Mexico, Venezuela and Russia. On the other hand, imports from Japan, valued at \$79,106,000, for the first nine months of this year, were down 23 per cent. Declines were also recorded in imports from China, Colombia, Spain, France, Belgium, and Germany.

#### IMPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the twenty chief imports into the United States for the January-September period of 1941 as compared with the corresponding period of 1940:—

#### *Twenty Chief United States Imports*

	Jan.-Sept., 1941	Jan.-Sept., 1940	Inc.(+) or Dec.(—) Per Cent	Per Cent of 1941 Total
	\$1,000	\$1,000		
Crude rubber including latex . . . . .	311,318	223,711	+ 39.2	13.4
Unmanufactured wool . . . . .	163,272	56,597	+ 188.5	7.1
Tin bars, blocks, pigs, etc. . . . .	121,011	91,096	+ 32.8	5.2
Cane sugar . . . . .	117,120	94,313	+ 24.2	5.1
Coffee . . . . .	115,657	96,421	+ 20.0	5.0
Standard newsprint paper . . . . .	94,505	93,008	+ 1.6	4.1
Undressed and dressed furs. . . . .	73,854	55,528	+ 33.0	3.2
Raw silk . . . . .	58,659	80,456	— 27.1	2.5
Raw hides and skins, except furs . . . . .	56,906	37,642	+ 51.2	2.5
Wood pulp . . . . .	46,533	47,704	— 2.5	2.0
Refined copper . . . . .	39,331	2,758	+ 1,326.1	1.7
Nickel and alloys . . . . .	39,048	29,755	+ 31.2	1.7
Liquors, distilled . . . . .	34,289	30,181	+ 13.6	1.5
Burlaps . . . . .	33,975	35,678	— 4.8	1.5
Cocoa, or cacao, beans . . . . .	32,333	23,520	+ 37.5	1.4
Sawed boards and other lumber . . . . .	32,256	16,412	+ 96.5	1.4
Crude petroleum . . . . .	29,564	22,743	+ 30.0	1.3
Copper ore, concentrates and regulus. . . . .	28,465	47,082	— 39.5	1.2
Unmanufactured tobacco . . . . .	28,007	27,842	+ 0.6	1.2
Unrefined black blister and converter copper	27,916	3,496	+ 698.5	1.2

Every important economic group except finished manufactures recorded increases in both value and quantity during the first nine months of 1941 over the figures for the like period of 1940. The gains in value ranged from 11.3 per cent for manufactured foodstuffs and beverages to 37.9 per cent for crude materials, while finished manufactures declined by 2.8 per cent. The average import price of all groups (with the exception of crude materials, which remained unchanged from 1940) advanced over the quotation for the 1940 period. The Department of Commerce estimates that the quantity of goods imported was 20 per cent greater than for the 1940 period and that agricultural products accounted for 52.6 per cent of the total United States imports.

## CRUDE RUBBER

Exceptionally large amounts of crude rubber were imported for stockpile and domestic consumption during the first nine months of 1941. Receipts totalled 1,711,331,000 pounds valued at \$311,318,000 as compared with 1,282,403,000 pounds at \$223,711,000 in the 1940 period, an increase of 33·4 per cent in quantity and 39·2 per cent in value. The average import price was 18 cents per pound. United States consumption for the nine-month period of 1941 was placed at 603,000 tons, while stocks were estimated at 473,684 tons, including 243,251 tons of government reserves. Stocks afloat amounted to 139,784 tons.

## UNMANUFACTURED WOOL

Unmanufactured wool, the second leading United States import commodity, amounted to 666,298,000 pounds, not only the largest quantity ever imported in a nine-month period but also exceeding any full year's receipts in the history of the country. This was 182·7 per cent in excess of the 1940 receipts of 235,711,000 pounds. Of the total amount, 82,389,000 pounds was Australian wool belonging to Great Britain and stored here by the Defence Supplies Corporation. The value of the imports for the first nine months of this year was \$163,272,000, an increase of 188·5 per cent over the 1940 value of \$56,597,000.

## TIN

Imports of tin bars, blocks and pigs, another strategic material, topped all records and during the first nine months of 1941 amounted to 255,766,000 pounds (\$121,011,000). This was 27·1 per cent in volume and 32·8 per cent in value over the amount of 201,292,000 pounds (\$91,096,000) imported in the corresponding period of 1940.

## CANE SUGAR

United States imports of cane sugar totalled 5,897,090,000 pounds (\$117,120,000) as against 4,774,625,000 pounds (\$94,313,000) in the like period of 1940, an increase of 23·5 per cent in quantity and 24·2 per cent in value. The average import price of cane sugar for the 1941 period was 1·97 cent per pound.

## COFFEE

During the first nine months of 1941 imports of coffee reached a peak of 1,646,679,000 pounds (\$115,657,000) as compared with 1,494,166,000 pounds (\$96,421,000) in the like period of 1940, a gain of 10·2 per cent in volume and 20 per cent in value. The average import price of coffee was slightly over 7 cents per pound during the 1941 period.

## NEWSPRINT PAPER

United States imports of standard newsprint paper in the 1941 period amounted to 4,224,571,000 pounds (\$94,505,000) as compared with 4,116,507,000 pounds (\$93,008,000) in the similar period of 1940, a gain of 2·6 per cent in volume and 1·6 per cent in value. Wood-pulp receipts totalled 1,621,964,000 pounds (\$46,533,000) as against 2,030,446,000 pounds (\$47,704,000), a decline of 20·1 per cent in quantity and 2·5 per cent in value. On the other hand, imports of pulpwood for the 1941 period amounted to 4,524,240,000 pounds (\$11,535,000), an increase of 15 per cent in quantity and 20·7 per cent in value over the corresponding 1940 amount of 3,933,024,000 pounds (\$9,557,000).

## FURS

Imports of undressed and dressed furs during the first nine months of 1941 totalled \$73,854,000 as compared with \$55,528,000 in the 1940 period, a gain of 33 per cent. Substantial increases were shown in the imports of beaver,



fox, lamb, marmot, and squirrel, while imports of weasel and marten recorded declines. Receipts of raw hides and skins, except furs, totalled \$56,906,000, a gain of 51.2 per cent over the 1940 nine-month value of \$37,642,000.

#### DISTILLED LIQUORS

During the January-September period of 1941 United States imports of distilled liquors amounted to 8,663,000 gallons (\$34,289,000) as compared with 7,527,000 gallons (\$30,181,000) in the like period of the previous year, an increase of 15.1 per cent in volume and 13.8 per cent in value.

#### CATTLE

United States imports of cattle totalled 562,000 head at \$16,370,000 as compared with 480,000 head at \$12,999,000 in the 1940 period, a gain of 17.1 per cent in number and 12.6 per cent in value.

#### LUMBER

Imports of sawed boards and other lumber, including sawed cabinet woods, amounted to 970,000,000 board feet (\$32,256,000) as compared with 511,000,000 board feet (\$16,412,000) in the corresponding period of 1940, a gain of 89.8 per cent in quantity and 96.5 per cent in value.

#### COPPER

Receipts of copper in the first nine months of 1941 amounted to 291,464,000 pounds (\$28,465,000) as against 468,008,000 pounds (\$47,082,000) in the like period of 1940, a decline of 37.7 per cent in quantity and 39.5 per cent in value.

Other items recording gains in the January-September period of 1941 over the figures for the corresponding period of 1940 included nickel and alloys, cocoa beans, crude petroleum, tea, molasses, meats, lead, unmanufactured cotton, rye, coconut oil, and castor beans. Among the commodities for which declines in imports were recorded were burlaps, diamonds including industrial diamonds, fish, drugs, fertilizers, flaxseed, and nitrate of soda.

The above report is based on information received from the Foreign Commerce Department, Chamber of Commerce of the United States, and on official statistics published by the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce.

### DAIRYING INDUSTRY IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, January 15, 1942.—Recent details of dairy production in Australia—particularly of butter and cheese—indicate that the industry as a whole is functioning satisfactorily under wartime conditions, although continued unfavourable seasonal conditions in the principal producing states of the Commonwealth have to some extent affected volume of production, particularly with regard to milk products.

#### BUTTER

The output of factory butter for the three months ended September, 1941, totalled 24,000 cwts., or 3.4 per cent less than output recorded for the corresponding period of 1940, and the lowest recorded since 1937-38. This decline is mainly attributable, as mentioned above, to unfavourable seasonal conditions in the chief producing states: New South Wales, Victoria and Queensland. Diversion of milk to the manufacture of cheese to meet United Kingdom contracts has also contributed to the reduction of butter production. The following table



shows butter production in factories and on farms in monthly periods; figures for 1940-41 are subject to revision:—

### *Australian Butter Production*

Month	1939-40 Cwt.	1940-41 Cwt.
July . . . . .	243,021	201,754
August . . . . .	278,804	234,850
September . . . . .	342,145	291,512
Total, 3 months . . . . .	863,970	728,116
October . . . . .	425,185	355,070
November . . . . .	462,261	344,687
December . . . . .	474,408	405,547
January . . . . .	441,905	434,972
February . . . . .	371,549	375,883
March . . . . .	335,608	342,516
April . . . . .	288,015	285,166
May . . . . .	230,695	237,144
June . . . . .	180,144	193,840
Factory total . . . . .	4,073,740	3,702,941
Made on farms . . . . .	166,013	175,000
Grand total . . . . .	4,239,753	3,877,941

Official statistics showed that in New South Wales butter production decrease for the three months ended September, 1941, amounted to 13,000 cwts. or 9 per cent; in Victoria, to 9,000 cwts. or 3 per cent; Queensland, 16,000 cwts., or 9 per cent; and Tasmania, 400 cwts. or 5 per cent—a Commonwealth total of 38,400 cwts. This was to some extent offset, however, by an increase for that period of 4,000 cwts. or 9 per cent in South Australia and 9,000 cwts. or 24 per cent in Western Australia. The net result for the whole of the Commonwealth during the above-mentioned period was a reduction in output of 24,000 cwts. or 3.4 per cent.

### WHOLESALE BUTTER PRICES

Under the Commonwealth Equalization Scheme, which operates in the States of New South Wales, Victoria, Queensland and Tasmania, the wholesale price of butter for local use was fixed at 140s. (approximately \$24.85 Canadian) per cwt., or 1s. 3d. (\$0.22) per pound in May, 1934. This price was sustained until June 28, 1937, when it was increased to 149s. 4d. (\$26.51) per cwt., or 1s. 4d. (\$0.23). On June 8, 1938, the price was further increased to 158s. 8d. (\$28.04) per cwt., or 1s. 5d. (\$0.24) per pound, at which figure it now stands.

In South Australia and Western Australia the price of butter is fixed under the equalization scheme operating in each individual state and varies slightly from prices fixed under the scheme in the eastern states of the Commonwealth.

### BUTTER PRICES IN LONDON

Until September, 1939, prices quoted in London for Australian butter represented the mean of the top prices quoted weekly for choicest salted Australian butter, but figures quoted since that date represent the price fixed under the contract between the Governments of the United Kingdom and Australia for choicest Australian butter. A brief table of prices (f.o.b. Australian ports) convertible at \$3.55 Canadian to 20s. Australian, is shown hereunder:—

Grade	Sterling Per Cwt. s. d.	Australian Currency Per Cwt. s. d.
Choicest . . . . .	109 9	137 2½
First grade . . . . .	108 6	135 7½
Second grade . . . . .	104 11	131 1¾*
Pastry . . . . .	102 0	127 6*

\* Not applicable under third contract.

The first contract negotiated between the two governments was for the period November 13, 1939, to June 30, 1940, and the quantity contracted to be sold was 75,500 tons, which on an annual basis was equivalent to 94,500 tons. The second contract was for the year ended June, 1941, and extended the quantity to 100,000 tons, while the third contract—for the year ended June, 1942—reduced this quantity and restricted the grades to choicest and first quality only. Because of this reduction, and increased requirements under the cheese contract, a certain proportion of the milk used for the production of butter-fat will be diverted to the manufacture of cheese and condensed and powdered milk.

### CHEESE

To offset the decline in butter production, the manufacture of cheese in the Commonwealth has shown a rapid increase during recent years, the states chiefly contributing to this development being Victoria and South Australia. An expansion in output has also been recorded in Western Australia and Tasmania, but the quantity involved in these two states is not as yet very great. Queensland was formerly the chief producing state but, in common with New South Wales, no expansion has recently been shown there.

A recent comparison, by states, of production figures for the quarter ended September 30, 1941, with the same period during 1940, shows that increases in Victoria (3,000 cwts. or 2 per cent), in Queensland (2,000 cwts. or nearly 8 per cent), South Australia (1,400 cwts., or nearly 3 per cent), and Western Australia (1,200 cwts., or 40 per cent). Production in the states of New South Wales and Tasmania remained practically unaltered for this period.

Total production for the quarter ended September 30, 1941, amounted to 138,602 cwts. as compared with 130,733 cwts. for the same period during 1940, but fell below the 1939 quarterly figure of 158,796 cwts. Total production for the year ended June 30, 1941, amounted to 538,592 cwts. as compared with 619,397 cwts. during 1939-40 and 579,519 cwts. during 1938-39. Farm production during the same period amounted to 3,750 cwts. during 1940-41 as compared with 3,677 cwts. during 1939-40 and 6,605 cwts. during 1938-39.

A comparison of cheese production by states is shown in the following table:—

State	1939-40 Cwt.	1940-41 Cwt.
New South Wales . . . . .	59,233	56,441
Victoria . . . . .	217,676	166,950
Queensland . . . . .	123,583	104,672
South Australia . . . . .	183,481	174,153
Western Australia . . . . .	7,525	8,473
Tasmania (estimated) . . . . .	27,899	27,903
Commonwealth total . . . . .	619,397	538,592

### WHOLESALE CHEESE PRICES

Under the stabilization scheme, which operates in all states except Western Australia, the wholesale price of cheese was fixed at 8d. (11½ cents) per pound in May, 1934. In January, 1935, the price was increased to 8½d. per pound (12 cents), and in May of that year to 9½d. (15 cents) per pound. It was further increased by ½d. in June, 1937, and by another ½d. in June, 1938, making the current wholesale price 10½d. (17½ cents) per pound.

The average equalization rates realized for cheese in Australia over the past three years, and for the first four months of the current fiscal year, are

indicated in the table below, compiled by the Commonwealth Dairy Produce Equalization Committee:—

Month	1938-39	1939-40	1940-41	1941-42
	Pence Per Lb.	Pence Per Lb.	Pence Per Lb.	Pence Per Lb.
July . . . . .	9.02	7.71	8.69	9.03
August . . . . .	8.69	8.18	8.36	8.86*
September . . . . .	8.27	8.11	8.09	8.65*
October . . . . .	8.07	8.18	8.03	8.67*
November . . . . .	7.89	7.91	7.98	....
December . . . . .	7.70	7.96	8.07	....
January . . . . .	7.12	8.09	8.21	....
February . . . . .	7.69	8.22	8.38	....
March . . . . .	7.71	8.40	8.54	....
April . . . . .	7.88	8.57	8.44	....
May . . . . .	8.27	8.60	8.60	....
June . . . . .	8.20	8.58	8.70	....
Weighted average . . . . .	7.68	8.17	8.30†	....

\* Interim price. † Subject to revision.

As in the case of butter, contracts were negotiated between the Governments of the Commonwealth and the United Kingdom for the sale of cheese, the prices fixed being as follows, f.o.b. Australian ports:—

Grade	Sept., 1939, to June, 1941		July, 1941, to June, 1942	
	Sterling	Australian	Sterling	Australian
	Per Cwt.	Per Cwt.	Per Cwt.	Per Cwt.
	s. d.	s. d.	s. d.	s. d.
Choicest and first . . . . .	61 3	76 7	67 0	83 9
Second . . . . .	59 3	74 1	65 0	81 3
Third . . . . .	57 3	71 7	63 0	78 9

The quantity involved under the first contract (period September, 1939, to June, 1940) amounted to 13,000 tons. This was increased to 20,000 tons by the 1940-41 contract and to 40,000 tons or more by the 1941-42 contract.

### PRODUCTION AND EXPORTS OF EGGS

At a special meeting of the Australian Agricultural Council held in August, 1940, the development of the poultry industry was one of the main topics under discussion. The recommended expansion was directed towards the wheat-growing areas as a means of diversifying the wheat industry and, in addition, stimulating the production of eggs for export to the United Kingdom to replace supplies previously obtained from European countries.

Owing to restricted refrigerated shipping space, it is now planned to reduce the export of eggs in the shell by the substitution of powdered egg. Plant for egg drying has been erected in New South Wales and Victoria, and exports from these states during 1941-42 will be in that form. In Queensland, South Australia and Western Australia similar plant will be in operation for 1942-43. Meanwhile exports from the latter group will be made in the shell.

Accurate figures are not yet available with regard to total egg production in Australia. Statistics covering overseas trade in eggs show exports during 1940-41 amounting to 17,881,732 dozen valued at £A1,122,758 (\$4,340,791), as compared with 10,279,346 dozen valued at £A597,854 (\$2,122,381) in 1939-40. Exports of egg contents amounted in 1940-41 to 1,095,356 pounds, valued at £A45,354 (\$161,007) as compared with the negligible quantity of 560 pounds during the preceding year.

### PORK PRODUCTION

The production of pork throughout the Commonwealth has shown a substantial expansion in recent years. Up to 1928-29 the first indication of expansion was recorded when exports increased to nearly a million pounds weight. Prior to that time production was sufficient to meet local requirements



and provide only a small exportable surplus averaging about 200,000 pounds, chiefly to the Pacific Islands and the East. Beginning in the year 1930-31, however, production has increased annually and has provided for a considerable increase in local consumption and an outstanding increase in volume of exports, particularly since 1933-34. Total production for the last year for which complete figures are available (1939-40) amounted to 97,556,063 pounds, as compared with 82,854,365 pounds in the previous year. Local consumption was 45,353,242 pounds in 1939-40 as compared with 52,169,753 pounds in 1938-39, while exports amounted to 52,202,821 pounds in 1939-40 as compared with 30,716,417 pounds in the previous year, 53.51 per cent and 37.07 per cent of production respectively. Estimated exports for 1940-41 stand at 74,889,552 pounds, although the percentage of total production has not yet been released.

During the past ten years the production of bacon and ham in Australia has fluctuated between 68 and 78 million pounds weight. This quantity is sufficient to meet local requirements and to provide a small exportable surplus. Since the outbreak of war, however, exports have shown a considerable expansion, reaching the record quantity of 6.7 million pounds in 1940-41. During the 1917-18 and 1918-19 periods of the previous world war, exports exceeded 5 million pounds, but with the conclusion of peace the quantity declined to and remained at an average of about 1,500,000 pounds, as previously mentioned.

## PAPER TRADE OF THE UNITED KINGDOM IN 1941

*FROM The World's Paper Trade Review*

Another war year has come and gone, and during that period the British paper industry has had its full share of the difficulties and anxieties inevitable in such a national upheaval. The whole structure of the country has been remodelled on a basis of total war. That business has been able to function at all under such conditions is remarkable, but it speaks well for British character that the situation has been faced with undiminished courage.

### CONTROL ORDERS

Steadily and surely the grip of control has tightened upon the paper trade. This was to be expected in view of the raw material position and the demands for labour in other fields. In both respects conditions became worse as the year advanced. Nine control orders were issued in the twelve months, most of which imposed further restrictions on the use of paper, in addition to which there have been various directions and instructions to mills and merchants. It was expected at the end of 1940 that a complete new price schedule would be issued, but this has not yet been forthcoming, although Order No. 35 did provide for certain increases of maximum prices for a few descriptions of paper. The first Order, No. 30, had reference to maximum prices for waste paper, and chiefly concerned a new category known as "selected waste". Order No. 31, removed the prohibition from the "sale or return" system for magazines and other periodicals. The next Order (No. 32) appeared in April and made further restrictions in regard to the use of posters, circulars, loose insets, greeting cards, etc. This was followed in May by Order No. 33, which aimed at the distribution of waste paper and rags to paper mills to the best advantage. At the same time paper merchants were instructed to ration their customers more severely in the sixth licence period, which began on June 1. Important provisions were contained in Order No. 34, by which existing orders were adapted to the new conditions of importation of paper by the Paper Controller and to concentration of the paper-making industry. Such was the position of waste paper supplies that the Controller had to introduce a considerable reduction in the amount of waste

paper which mills would be allowed to acquire in the seventh licence period. Then followed a reduced quota for periodicals in the eighth licence period. Order No. 36 imposed drastic restrictions, particularly in regard to the wrapping of goods sold retail, and existing paper orders were tightened up. In November came Order No. 37. This contained a surprise for the trade, since for the first time it drew a definite distinction between permission to acquire waste paper and permission to use it after it had been acquired. Restrictions on the use of waste such as strippings and reel ends and of waste paper were imposed by Order No. 38, which came into force on December 23. While the various orders and restrictions caused some apprehensions, it is realized that the Control has a very difficult duty to discharge and that this has been fulfilled with a more intimate knowledge of the requirements of the country than is available either to industry or the general public.

The paper industry has had other difficulties to contend with, apart from the control orders issued on behalf of the Minister of Supply. Problems of coal supplies and labour have been added to those of raw materials and the rest. The filling up of forms alone has been a considerable task involving much time and work in the office.

#### THE FUTURE

At the beginning of the year the leaders of the industry referred to the difficulties which the paper industry had already surmounted and pointed to still more and greater difficulties which would be encountered in the ensuing months. Those forecasts have been amply fulfilled. The same might be said now that we are entering upon 1942. There have been many changes and fluctuations during the past twelve months, alike in regard to the country in general and to industry in particular. The future offers little immediate hope of an end to the anxieties and trials incidental to the war. Indeed there must be an accentuation of them, and the entry of the United States and Japan into this Armageddon presages greater trials. That the present clash of forces, with all its consequent expenditure of life and material, will end some day is certain, and the only hope that is permissible at present is that this may come soon. While there will be general relief that the foul influences which have brought about so much suffering and ruin will then have been eliminated, the period of reconstruction which must follow will represent problems of almost equal magnitude and complexity to those which have had to be faced since September, 1939. It is inconceivable, of course, that control of the industry will be removed with the coming of peace, and, indeed, the greatest skill will be required to nurse the paper trade through a phase of convalescence to a restoration of health. If hardships have had to be borne in the recent past, benefits will accrue in the process of rehabilitation, for inflation will have been substantially avoided, and the adjustment to more or less normal business relationships will be the easier.

### NEW YORK FOREIGN TRADE ZONE: OPERATIONS AFFECTED BY WARTIME CONDITIONS

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, March 4, 1942.—The loss of a considerable volume of trade passing through the New York Foreign Trade Zone, estimated at more than \$100,000,000 per annum, was recently predicted by importers following a court order which gave the United States Government possession of a fifty-five acre tract and four piers which constitute the only free port on United States soil.

The grant to operate the zone has not been revoked, and every effort is being made to find other quarters that will serve as a temporary zone. Whether such facilities will be found is problematical. Meanwhile steps are being taken to



vacate the present area in as short a period as possible, consistent with the interests of the users and the military authorities.

Among the commodities which have been handled at this free trade zone are: tobacco, tungsten from China, beef from Argentina, nuts from Brazil, and from time to time certain Canadian products that are distributed through New York to South American and other points. The only other free port operated in this hemisphere is in Cuba. There is also a free zone in Mexico, but this was set up principally to permit natives of the sparsely settled areas there to purchase goods from abroad duty free, since these areas are not readily accessible overland from other parts of Mexico.

## **CONTROL OF COMMODITIES IN CANADA**

### **USE OF TIN RESTRICTED**

Effective March 4, 1942, instructions issued by Mr. G. C. Bateman, Metals Controller in the Department of Munitions and Supply, prohibit the use of tin, except by permit, in the manufacture of the following: All household articles whether plain or decorated, acoustic tile plates, baking pans, bath tubs, bread and cake boxes, bread and cake pans, coal-oil cans, cookie and biscuit cutters, cookie tins, cookie sheets, corn-cake pans, muffin pans, turk's head pans, collanders, cups, mugs, curtain rods, dishpans, salt and pepper boxes, feeding-troughs, flour and tomato sieves, flour cans, funnels (except  $\frac{1}{4}$ -pints, pints, and quarts), grocery sets marked "Flour," "Coffee," etc.; guardian fire-screens, head-cheese bowls, heating and air-conditioning pipes, ducts and appliances; jar fountains, jelly cake-plates, shielded wall-lamps, lunch boxes, measures other than those for government test measuring, milk pans, sewing-machine oil cans, pie plates, potato ricers, pot covers, pudding-pans, sap-buckets, shanty dishes, soap-flake dispensers, steamers, stove pipes, wall and floor thimbles for fitting stove-pipes, tea-kettles, trimmings for fruit boxes and baskets, vacuum-cleaner parts, wash boilers and covers, washbowls, and water dippers.

Mr. F. B. Kilbourn, Steel Controller, stated that, except possibly for stove and other heating pipes and fittings, milk pans, and oil cans, and possibly for one or two other items, steel will not be available as a substitute. He suggested that wood can be used for such things as feeding-troughs, bath-tubs, and some of the household items, and for most of the other items enamel or pottery would be satisfactory substitutes.

## **CONTROL OF EXPORTS FROM CANADA**

### **AMENDMENT TO REGULATIONS**

Effective February 25, 1942, Regulation 34 of the Export Permit Regulations is cancelled and the following is substituted therefor:

Export permits are not required for any article or material consigned to official representatives of the Government of the United Kingdom or their order; or for any article or material ordered, diverted or exported by the Department of Munitions and Supply, the Department of National Defence, the Department of National Defence Air Services, the Department of National Defence Naval Services or their respective Forwarding Officer, Ordnance Transit Officer or Air Embarkation Staff Officer; the Transport Controller of the Department of Transport; the Ministry of Supply for the United Kingdom; the Inspection Board of the United Kingdom in Canada; or the British Ministry of War Transport.

The principal change in the regulation is the use of the words "any article or material" for (the articles) "enumerated in Groups 9 and 10." The amendment was made to facilitate the export movement of war materials and other



essential commodities. When these articles are shown as exported by the Department of Munitions and Supply or any of the other agencies mentioned in Regulation 34, Collectors of Customs at the port of exit have no difficulty in identifying the shipment. If, however, shipment is made by a Canadian manufacturer for the Department of Munitions and Supply or one of the other agencies, the shipment is liable to be held up at the border for an export permit, unless Customs form B-13-B clearly indicates that the Canadian manufacturer is acting for the Department of Munitions and Supply or one of the stipulated agencies.

This Customs form should also show the Department of Munitions and Supply order number, or some other authority, so that there will be no doubt in the Collector's mind as to the official nature of the shipment.

#### ADDITIONS TO LIST OF AFFECTED PRODUCTS

By Order in Council P.C. 1514, effective March 2, 1942, the export of replacement parts and accessories for motor trucks, buses, chassis and engines is prohibited except under permit issued by the Export Permit Branch Department of Trade and Commerce. These items are included in Group 5 (Replacement Parts and Accessories for Passenger Automobiles, Chassis and Engines) of the commodities for which an export permit is required.

By Order in Council P.C. 1622, effective March 9, 1942, wax, animal, without admixture; candles; feathers, including down, in natural state or processed are prohibited export except under permit issued by the Export Permit Branch, Department of Trade and Commerce. These items are included in Group 2 (Animals and Animal Products) of the commodities for which an export permit is required.

By Order in Council P.C. 1735, effective March 11, 1942, the export of fishing nets and nettings is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce. These items are included in Group 3 (Fibres, Textiles, and Textile Products) of the commodities for which an export permit is required.

### TARIFF CHANGES AND TRADE REGULATIONS

#### Ireland

##### IMPORT QUOTA FOR SPARK PLUGS

Mr. George Shera, Office of the Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire dated January 27, 1942, a further import quota and quota period have been announced for the importation into Eire of spark plugs and component parts thereof. The amount fixed is 4,000 articles for the period March 1, 1942, to August 31, 1942, and is the same as that allowed for the preceding six months.

##### MANUFACTURE OF RUBBER GOODS CONTROLLED

Mr. E. L. McColl, Canadian Trade Commissioner in Dublin, advises that, by an Order of the Eire Minister for Supplies, effective January 10, 1942, the manufacture of any class of goods from crude rubber, rubber compound, or from waste or reclaimed rubber is prohibited except under licence granted by the Minister.

Under this order the manufacture of rubber footwear, golf and tennis balls and other articles such as hot water bottles is altogether prohibited until further notice.

The sale of motor-car tires is also strictly controlled.

## Australia

### CHANGES IN IMPORT CONTROL REGULATIONS

Mr. R. P. Bower, Assistant Canadian Trade Commissioner in Sydney, writes: that in February, 1940, the Australian Government made regulations dealing with the importation of replacement parts for motor vehicles. These provided for a "bank" which included a wide range of parts and authorized importers to apply for licences to import any item in the list provided they had quotas for any other items on the list. In other words they were not held to the specific part which they imported during the base year but were allowed a certain latitude within the limits of the "bank". A regulation effective from January 1, 1942, provides that licences will be suspended for all parts included in List A of the parts schedule.

Previous licensing regulations provided certain treatment for printing and writing papers imported into Australia under Tariff Item No. 334(F). This item includes such types as coated printing paper, glazed imitation parchment, printing paper not otherwise specified, and writing and typewriting paper with the exception of duplicating paper. Wood-free super-calendered and wood-free machine-finished printing paper, as well as wood-free cream wove, cream laid, and white bond writing papers, became prohibited imports some time ago. Licences for the other types (with the exception of glazed newsprint or printing paper for use in the production of papers, which is subject to newsprint rationing) have for some time been issued to importers on the basis of 50 per cent of their imports of such papers during the base year. As from January 1, 1942, licences for the admissible types are to be issued on the basis of 100 per cent of base-year imports, i.e. for the current licensing period one-quarter of the value of base-year imports will be allowed. Base-year imports are computed on the basis of total imports (including glazed newsprint, etc.) under Tariff Item 334(C)(2) and 334(F), although licences are not issuable for all the items under these headings.

## Jamaica

### SUSPENSION OF SHIPPING REGULATION

The Jamaica Government waived, as from March 1, 1942, until further notice, the regulation brought into effect under Article VII of the Canada-West Indies Trade Agreement, which required that for application of the British preferential tariff, Canadian goods be shipped direct from a Canadian port to Jamaica without transshipment at a foreign port. The following regulation now applies to Canadian goods shipped to Jamaica via a foreign country:—

Goods being the produce or manufacture of the British Empire and consigned to this Colony and which have been transhipped en route at a foreign port, or have been shipped from a foreign port after overland transit from any part of the British Empire, shall not be entitled to preference unless such goods shall have passed through such foreign country in bond and are accompanied by a through Bill of Lading or Railway Consignment Note from the country of production or manufacture in support of the Certificate of Value and Origin.

Where a through Bill of Lading or Railway Consignment Note is not available the Ocean Bill of Lading from the foreign Port of Shipment shall be accompanied by a certificate signed by the steamship carriers attested by the British Consul at such port that the goods have passed through such foreign country "in bond" and that the United Kingdom or other part of the British Empire (as the case may be) is the country of production or manufacture, and the number of the bonded car and in such case the Certificate of Value and Origin shall also be attested by such British Consul.

## British India

### DISCLAIMER OF PROPRIETARY RIGHTS MAY BE SHOWN ON INVOICE

With reference to the closing paragraph of an article entitled "Drugs Act 1940 of British India," published in *Commercial Intelligence Journal* No. 1932 (February 8, 1941), page 160, a Notice issued by the Foreign Trade Controller, Calcutta, on December 22, 1941, stated that the disclaimer regarding patent and



proprietary rights, required to be packed in each bottle or carton separately, will not henceforth be insisted upon provided that it is contained in the invoice or on a separate piece of paper accompanying each consignment.

Under Indian import control regulations, medicines from Canada require no import licences when the formula is shown and the disclaimer is made of proprietary and patent rights and methods of manufacture. Otherwise licences are required, which are issued only up to 100 per cent of the value of medicines imported in the base period from September 1, 1938, to August 31, 1939.

#### EMERGENCY SURCHARGE IMPOSED

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, cables that, effective at midnight February 28, the Government of India imposed an emergency surtax of 20 per cent of existing customs duties. The surcharge, he advised, does not apply to raw cotton, motor spirits, salt and a few unimportant imports from Burma.

### TRADING WITH THE ENEMY

#### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent Germany and Italy from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be avoided. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many Italian and German subjects carry on business in neutral countries without assisting Italy or Germany, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider



displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

The complete Canadian List, in the form of a Consolidation of the Canadian Lists of Specified Persons, is now obtainable for a price of 10 cents from the Distribution Branch, Department of Public Printing and Stationery, Government Printing Bureau, Ottawa. It contains the names of more than 2,000 persons, principally in Europe, Latin America, Japan and China. The List is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain a copy of the Consolidation of the List and at the same time to arrange to receive revisions as published.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 9, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 9, 1942, and for the week ending Monday, March 2, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 2	Nominal Quotations in Montreal Week ending March 9	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2282	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2625	.2631	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5849	.5852	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	St. Mary's, Ont.
Halifax, N.S.	Guelph, Ont.	Portage la Prairie, Man.
New Glasgow, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Sarnia, Ont.
Kingston, Ont.	London, Ont.	Victoria, B.C.
Oshawa, Ont.	St. Catharines, Ont.	Prince Rupert, B.C.
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Edmonton, Alta.	Vancouver, B.C.
Montreal, P.Q.	Winnipeg, Man.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Chutney.....	3793	Los Angeles, California....	Purchase and Agency.
<b>Miscellaneous—</b>			
Plaid Woollen Motor Rugs.....	3789	Santa Monica, California..	Agency.
Shoe Thread.....	3804	San Salvador, El Salvador.	Agency.
Safety Pins.....	3805	San Salvador, El Salvador.	Agency.
Religious Articles (Pictures, Medals, Rosaries and Crucifixes) ..	3806	San Salvador, El Salvador.	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasília," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1 *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

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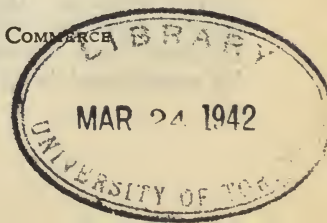
Ottawa, March 21, 1942

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## ECONOMIC CONDITIONS IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA, 1941

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, March 7, 1942.—Economic conditions in this territory in 1941 were better than for many years past, and, on the basis of volume of trade, resulted in the best year ever experienced by Canadian shippers to the West Indies.

Government-controlled prices for sugar and cotton, two of the main agricultural products of these colonies, were considerably higher than in pre-war years, and the production of both commodities was well sustained. In the industrial colonies of Trinidad and British Guiana the wartime demand for oil and bauxite maintained full employment in these industries. The general purchasing power of the coloured population was greatly strengthened in the colonies of Antigua, St. Lucia, Trinidad, and British Guiana through employment obtained in the construction of the United States bases.

As the colonies are dependent on imports for their maintenance, the cost of living tended to rise rapidly in keeping with higher prices due to scarcity in world markets, and at the close of the year was 30 to 40 per cent higher than in September, 1939. Fortunately, due to the factors mentioned, rising costs did not adversely affect imports, which showed a marked increase in value over those in 1940. Imports from Canada, as a result of trade diversion, continued to soar during the year, rising in the case of Trinidad by as much as 82 per cent above 1940 figures, which in turn were 91 per cent above those for 1939.

### CONTROL OF IMPORTS

Since the outbreak of war efforts have been made through local import control boards in each colony to restrict non-essential imports, especially from non-sterling countries, in order to conserve exchange. Based on general recommendations from London, there was considerable variation between the restrictions imposed by the various colonies until in August a conference of competent authorities in the British West Indies and British Guiana was called to establish greater uniformity.

The initial result of this conference was the general prohibition throughout the colonies of the import of a number of non-essential commodities. Those of interest to Canadian exporters included such items as fresh apples, confectionery, biscuits, canned fruits and vegetables, steel office furniture, certain paper products, and a variety of textiles. Quotas were also established for certain foodstuffs and a wide range of dry goods. Plans were announced for the bulk purchase, under government control, of numerous steel products. On the whole, these restrictions had comparatively little effect on imports from Canada, which consisted mainly of essential materials.

Although 1941 was an outstanding year in the history of Canada's trade with the British West Indies, it is doubtful if the strong upward movement can be maintained in 1942 in view of the increasing difficulty of securing materials in Canada and of the steady reduction in available shipping space.

### Trinidad

Under the favourable conditions consequent on the construction of the United States bases and other war activities, the indices of Trinidad's trade for 1941 moved sharply upward despite an unsatisfactory situation in the cocoa and citrus sections of the colony's agriculture.

There was an increase of 20 per cent in the customs revenue for the first eleven months. Bank clearings, averaging \$6,598,000 per month, were up by 30 per cent, and railway receipts for the year, amounting to \$1,425,000, rose by 46 per cent. Government revenue exceeded the original estimate of \$14,996,000 by approximately \$2,500,000.



The cost of living index for coloured labourers showed a 12-point increase during the year but, as wages for a large section of the working class have risen at a more rapid rate, the general standard of living improved rather than deteriorated, and merchants experienced a strong demand for consumer merchandise.

#### **SUGAR**

Sugar production, amounting to 131,608 tons for 1941, was sold at the government-set price of 11s. 7½d. per cwt. f.o.b. As both volume and price were considerably above the previous ten-year average, conditions in Trinidad's principal agricultural industry were fairly steady. Prospects for 1942 output are clouded by a shortage of labour, which has been diverted to the United States base construction work. Negotiations are in progress to import labourers from other colonies, such as Barbados, where there is a surplus of workers.

#### **IMPORTS**

Under these generally favourable conditions, the colony's imports, in round figures, reached a record value in 1941 of \$57,000,000, an increase of about \$12,000,000 over the 1940 import value. Imports from Canada were valued at \$18,000,000, an increase of 87·2 per cent over that for the previous year. Imports from the United States were valued at \$14,195,000 as compared with \$12,500,000 in 1940, while those from the United Kingdom dropped to \$11,760,000 from \$14,300,000 in 1940.

#### **Barbados**

Conditions in Barbados were quiet but steady during 1941. Prolonged drought kept sugar production for the year to a moderate 100,373 tons, which was about 3,000 tons more than in 1940 but much below the record output of 156,443 tons in 1939. Nevertheless, with better prices than in former years and with the beach hotel trade showing some revival of activity through visitors from the other islands, the trade tone of the colony was stronger than in 1940.

#### **British Guiana**

An increase of over \$1,000,000 in the export value of British Guiana's main cash crop, sugar, was realized in 1941 due to improved moisture conditions during the year. Exports amounted to 154,356 tons valued at \$8,253,720 as compared with 142,707 tons valued at \$7,129,806 in 1940.

Export figures for bauxite, the other outstanding item in British Guiana's trade, are not available at present; those for exports of other products, such as rum, molasses, balata, and timber, showed an increase as compared with the previous year.

Although not on the same scale as in Trinidad, the construction of United States bases brought about an increase in the amount of money in circulation in the colony during the year and stimulated the sale of consumer goods.

Lumber production, encouraged by the prohibition of imported supplies, was maintained at a high level, both for domestic needs and export.

These favourable conditions were reflected in a 21 per cent increase in the total value of imports for 1941, amounting to \$17,408,000 as compared with \$14,353,000 in 1940.

#### **Leeward and Windward Islands**

Production of sugar and cotton, two of the main products of these colonies, was well sustained in 1941 and, since prices were set by the British Government, growers received fairly satisfactory returns for their efforts. Other products too, such as cocoa, nutmegs and mace, lime oil and lime products, were disposed of at prices enhanced by wartime conditions, so that on the whole the Windward and Leeward Islands experienced better economic conditions in 1941 than for some years past. In addition the construction of United States bases at Antigua and St. Lucia exercised a buoyant influence on the economic conditions in these two colonies.

## CANADA'S DOMESTIC EXPORTS IN FEBRUARY

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, shows Canada's domestic exports (excluding gold) by principal countries and commodities for the month of February and the two months ending February, 1942 and 1941:—

*Canada's Exports by Principal Countries*

Countries	Month of February		Two Months ended February	
	1941	1942	1941	1942
	Thousands of Dollars			
All countries . . . . .	99,596	166,519	186,518	317,039
Empire countries . . . . .	59,720	82,539	106,096	155,864
British East Africa . . . . .	1,405	65	1,733	114
British South Africa . . . . .	2,658	2,134	5,405	3,828
Southern Rhodesia . . . . .	136	126	338	291
British West Africa . . . . .	48	367	170	576
Bermuda . . . . .	113	132	209	365
British India . . . . .	2,245	6,730	4,379	12,938
Burma . . . . .	153	202	180	325
Ceylon . . . . .	23	43	74	66
Straits Settlements . . . . .	580	1,469	1,145	3,168
British Guiana . . . . .	328	390	509	947
Barbados . . . . .	104	167	178	363
Jamaica . . . . .	491	683	971	1,262
Trinidad and Tobago . . . . .	747	1,113	1,226	2,479
British West Indies, other . . . . .	188	293	343	621
Newfoundland . . . . .	601	2,540	1,344	4,684
Australia . . . . .	1,932	4,902	3,367	7,562
Fiji . . . . .	47	41	114	42
New Zealand . . . . .	924	1,617	1,401	1,672
Palestine . . . . .	8	25	10	37
Eire . . . . .	642	187	833	203
United Kingdom . . . . .	46,148	59,282	81,800	114,267
Foreign countries . . . . .	39,876	83,980	80,422	161,175
United States . . . . .	34,140	54,063	70,183	110,146
Argentina . . . . .	547	720	981	1,209
Bolivia . . . . .	40	38	52	62
Brazil . . . . .	561	426	1,221	854
Chile . . . . .	63	204	153	391
China . . . . .	1,220	663	1,654	864
Colombia . . . . .	148	130	257	292
Costa Rica . . . . .	18	19	27	58
Cuba . . . . .	120	253	366	642
Ecuador . . . . .	7	15	20	75
Egypt . . . . .	1,002	17,170	1,817	29,332
French possessions . . . . .	50	28	94	118
Guatemala . . . . .	16	21	31	51
Haiti . . . . .	8	16	19	36
Honduras . . . . .	16	23	43	60
Iceland . . . . .	83	157	121	300
Iraq . . . . .	1	3,297	9	5,428
Mexico . . . . .	281	682	564	1,154
Netherlands East Indies . . . . .	216	350	333	548
Netherlands West Indies . . . . .	30	283	49	360
Nicaragua . . . . .	18	19	30	46
Panama . . . . .	39	77	89	147
Paraguay . . . . .	.....	.....	2	.....
Peru . . . . .	87	162	155	269
Portugal . . . . .	31	27	53	103
Portuguese Africa . . . . .	84	15	159	53
Russia . . . . .	2	3,991	2	6,733
Salvador . . . . .	23	23	31	42
San Domingo . . . . .	19	26	40	53
Spain . . . . .	92	.....	161	.....
Switzerland . . . . .	117	408	147	420
Hawaii . . . . .	33	13	117	13
Puerto Rico . . . . .	50	134	101	229
Uruguay . . . . .	27	50	57	173
Venezuela . . . . .	132	174	213	328

*Canada's Exports by Principal Commodities*

	February, 1941 Thousands of	February, 1942 Dollars
Total domestic exports . . . . .	99,596	166,519
Agricultural products (total) . . . . .	13,324	15,562
Fruits . . . . .	83	392
Vegetables . . . . .	223	308
Grains (total) . . . . .	8,205	4,998
Barley . . . . .	52	61
Wheat . . . . .	7,857	4,809
Wheat flour . . . . .	2,000	4,252
Alcoholic beverages . . . . .	398	1,471
Seeds . . . . .	171	853
Animal products (total) . . . . .	17,210	20,381
Cattle (except for stock) . . . . .	659	1,285
Fishery products . . . . .	2,930	5,456
Furs (chiefly raw) . . . . .	1,357	2,484
Hides, raw . . . . .	502	136
Leather, unmanufactured . . . . .	166	580
Leather, manufactured . . . . .	87	249
Meats . . . . .	10,050	6,675
Butter . . . . .	24	28
Cheese . . . . .	172	1,703
Eggs . . . . .	225	539
Fibres and textiles (total) . . . . .	2,057	3,371
Cotton . . . . .	1,179	1,507
Flax . . . . .	63	202
Silk (chiefly stockings) . . . . .	265	38
Wool . . . . .	90	542
Artificial silk . . . . .	190	367
Wood and paper (total) . . . . .	24,536	30,662
Planks and boards . . . . .	4,393	4,725
Timber, square . . . . .	26	35
Shingles, red cedar . . . . .	771	1,221
Pulpwood . . . . .	776	1,219
Wood pulp . . . . .	5,436	7,600
Paper, newsprint . . . . .	10,324	14,248
Iron and products (total) . . . . .	12,746	37,569
Pigs, ingots, etc. . . . .	1,503	2,041
Rolling mill products . . . . .	345	68
Tubes and pipes . . . . .	310	84
Farm implements . . . . .	595	643
Hardware and cutlery . . . . .	281	343
Machinery, other than farm . . . . .	1,292	1,136
Automobiles and parts . . . . .	7,281	20,866
Non-ferrous metals (excluding gold) . . . . .	18,463	19,969
Non-metallic minerals (total) . . . . .	2,754	3,962
Coal . . . . .	239	206
Petroleum . . . . .	5,917	317
Stone . . . . .	894	1,276
Chemicals (total) . . . . .	2,935	7,894
Acids . . . . .	190	231
Fertilizers . . . . .	1,088	894
Soda compounds . . . . .	453	459
Miscellaneous (total) . . . . .	5,571	27,149
Electrical energy . . . . .	510	302
Films . . . . .	163	115

**EXTRACTION OF OIL FROM SHALE IN AUSTRALIA**

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, December 19, 1941.—The necessity of importing requirements from overseas has created a greater interest in the prospects of locating flow oil in the country and in the extraction of oil from the extensive and rich oil-bearing shales that are known to exist in Australia.

The Commonwealth Government has encouraged the search for oil in Australia, Papua and New Guinea, and considerable sums have been spent during the past ten years in geological surveys and drilling operations. In 1936 the Petroleum Oil Search Act was passed, and approximately \$1,000,000 was



appropriated to finance investigations. A technical committee, known as the Commonwealth Oil Advisory Committee, was appointed to act in an advisory capacity and to deal with applications for assistance from persons or companies engaged in drilling operations or in the conduct of geological surveys connected with the search for petroleum. Money was also made available to assist in the purchase of drilling equipment. Four rotary drilling plants were obtained and made available on hire to prospecting organizations. In addition the various states have from time to time granted assistance in different forms to persons interested in the search for oil within state boundaries.

### FLOW OIL

To date the flow oil results have been disappointing. In New Guinea some rather attractive geological formations were encountered. In Australia the conditions are not so favourable for the formation of large natural oil reserves although the existence of limited quantities has been definitely established. In Victoria some production has been achieved, total output up to the end of 1937 amounting to slightly more than 100,000 gallons. A drilling campaign is at present under way in the Gippsland district of that state, although information is lacking on the success or otherwise of the venture. In New South Wales a company has been formed to drill for oil at a point about thirty miles south of Sydney. Optimism prevails because of the established existence of good quantities of methane gas in the neighbourhood and on account of the generally favourable geological structure of the area. In Queensland the discovery of gas and light to medium gravity oils in the Roma district was regarded as an indication of a worthwhile oil deposit. Unfortunately structural conditions for accumulations on a commercial scale have not yet been located in the drilled areas. The State of South Australia offers a bonus of \$20,000 to the organization that first obtains from a local bore or well 100,000 gallons of crude petroleum containing not less than 90 per cent of products obtainable by distillation; so far the bonus remains unclaimed. In Western Australia drilling was begun in a number of areas and is being continued.

### SHALE OIL

The existence of large and rich shale oil deposits in the State of New South Wales has been known for many years. Development of such deposits has been retarded by the impossibility of such oils competing successfully with imported fuels. A number of attempts have been made to establish an industry based on the rich oil shales known to exist in the Newnes district of New South Wales, and, while a satisfactory fuel was produced in a number of cases, none of the enterprises was able to operate profitably. In 1937 negotiations were completed between the Commonwealth Government, the New South Wales Government and a private company whereby the company undertook to develop the shale oil industry in the Newnes-Capertee district, one of the conditions being that up to 10,000,000 gallons of the company's output of petrol would be exempt from excise for a period of twenty-five years. Of the capital required for the project, £166,000 was provided by the company, a like amount by the New South Wales Government, and £334,000 by the Commonwealth Government. A number of additional grants have since been made by the Government. In earlier experiments in the field, considerable equipment had been accumulated, and this was taken over, supplemented, and modernized.

With the introduction of petrol restrictions in Australia, the interest in recovery from local shales was stimulated, and a large number of organizations have taken leases on shale deposits and made plans for the extraction of the oil and the production of petrol. To appreciate the problems facing all these groups it is necessary to understand something of the extraction process.

## PRODUCTION OF OIL FROM SHALE

The process of producing petrol from shale is divided into three phases: mining, retorting, and refining.

### MINING

Shale is a difficult substance to mine. It is extremely hard, with few or no lines of cleavage. In addition the seams that have so far been exploited are very shallow, seldom more than four feet thick and, in many cases, average about two feet. Ease of obtaining the shale deposits depends to a large extent upon the over- and under-burden. The Newnes-Capertee deposits are generally overlaid and underlain with sandstone, which is about the most difficult possible type. Other deposits are found in conjunction with cannel coal. In this form the mining is definitely easier and, if the coal can be marketed, actual mining costs per ton of shale can be reduced. The retorting of a small percentage of cannel coal with the shale increases the value of the resultant oil recovered by contributing small amounts of benzol.

In certain cases the transportation of the shale to the retorts is an important factor affecting production. Where the extent of the shale deposits is unknown, the general practice is to set the retorts up near a railway so that if necessary they will be accessible to shale transported from distant mines. Only where extensive deposits have been proven is it customary to locate the retorts in the neighbourhood of the mine. The cost of mining varies in the different areas, depending on the actual conditions encountered at each place. At Newnes, where the seam measures from 38 inches to 54½ inches in thickness, costs approximate \$2.65 per ton exclusive of overhead and depreciation of mining plant and equipment, which is estimated at 45 cents per ton. Shale miners are paid at the rate of \$30 a week.

When the shale has been mined, the only other treatment required before retorting is crushing. The size of the crushed ore depends upon the retorting methods used. At Newnes, the maximum size does not exceed 3-inch cubes, while everything that will pass through a ¼-inch screen is discarded. No open-cut working is practised in the shale mines of Australia. To date either the longwall, or bord and pillar, method is employed. The seams are practically horizontal and are mined from adits driven into the mountain sides. The depth of cover varies and may reach 2,000 feet. Generally the mining of Australian shales is expensive and, as the mines deepen, costs may be expected to increase. Few of the seams exceed 4 feet in thickness, so that much of the material removed as the mines deepen is waste. In some cases this applies even where the waste material consists of coal.

### RETORTING

To date this phase of the recovery operations has given the greatest amount of trouble. Although relatively successful retorting techniques are reported from many parts of the world where shale oil is produced, a great deal depends on the nature of the raw material employed, and what will give satisfaction on one type of shale will not give equally good results with other types. In Australia it was found that the richness of the shales introduced retorting problems not encountered where lower-grade shales were worked.

It is possible by means of laboratory tests to determine the percentage of oil present in any given shale, and the most efficient retorting method is that which produces, at a reasonable price, a yield closest to the laboratory maximum. The object of all retorting methods is the same, no matter what the principle employed may be, namely, to drive the oil off from the other materials present in the shale. To accomplish this, heat is applied, and the gases driven off the shale are collected and condensed. A great many different types of retorts are operating in Australia with varying degrees of efficiency. At Newnes the greatest



difficulties to date have been with the retorts, and a satisfactory technique has yet to be developed there. The retorts employed are a modification of the Pumpherson retort (a European patent), but, due to difficulties encountered, these have not been running consistently, and recovery has not exceeded 55 gallons a ton from shale rated to contain approximately 100 gallons. These retorts are the vertical type, with a capacity of from 5 to 7 tons of shale per day. A battery of 108 such retorts costs in the neighbourhood of \$1,000,000.

Other retorts are also operating, some horizontal, some vertical, some under pressure, and others at atmospheric pressure. Temperatures vary, as do the means of applying heat. Details on some of these systems are available at the Department of Trade and Commerce, Ottawa, with some indication of construction and operating costs, and will be made available to interested persons or firms on application. The quality of the crude oil that results from these processes depends on the quality of the shale retorted and upon the retorting method employed.

Few of the retorts operating in Australia have a sufficiently long history of production to enable operating cost figures to be estimated with any degree of accuracy. It is estimated that carbonizing at Newnes should not cost more than \$1.35 per ton of shale retorted. As a rule the richer the shale the greater the cost per ton of carbonizing, although it does not necessarily follow that the cost per gallon of crude oil recovered is any greater. Costs are also affected by wage rates; the retort operatives in New South Wales earn approximately \$22 for a 40-hour week.

The product of the retorts depends on what it is desired to recover. Some of the recovery plants operating in Australia are satisfied with a "vaporizer" fuel, which can be made to operate an ordinary gasoline engine, providing an accessory in installed which vaporizes the fuel by heat before it is admitted to the carburetor. Other retorts are designed to obtain crude oil only, either for use in Diesel engines or as ships' bunker fuel. The principal interest, however, centres on the production of ordinary petrol, and in most cases the crude oil from shale is treated in the same way as similarly constituted oils are treated when of flow origin.

#### REFINING

The amount of petrol obtained from a given quantity of shale oil depends on the quality of the original shale and the efficiency of the refining unit. One of the smaller outfits operating near Sydney, after obtaining only 70 per cent of the assay yield of crude oil in the raw shale, produces petrol up to 50 per cent of the crude oil processed, 20 per cent kerosene, and 10 per cent Diesel oil. At Newnes the petrol recovery is about the same. The refinery at this plant is completely modern, with cracking, polymerization, acid treating, re-running, doctor-sweetening, inhibiting, leading, and dyeing. The product has an octane rating of 69-71 (by motor method), and analysis shows the following characteristics:—

#### DISTILLATION

I.B.P. . . . .	84	70 per cent . . . . .	286
5 per cent . . . . .	120	80 per cent . . . . .	308
10 per cent . . . . .	138	90 per cent . . . . .	324
20 per cent . . . . .	170	95 per cent . . . . .	359
30 per cent . . . . .	197	F.B.P. . . . .	374
40 per cent . . . . .	222	Per cent rec. . . . .	97
50 per cent . . . . .	246	Per cent @ 212° . . . . .	38.5
60 per cent . . . . .	267	Per cent @ 360° . . . . .	95
Specific gravity @ 60° F. . . . .			0.7375
Reid vapour pressure. . . . .			9.4
A.S.T.M. gum . . . . .			Trace
Copper dish gum . . . . .			4
Total sulphur . . . . .			0.14
Induction period . . . . .			725 mins.
Tetra-ethyl lead . . . . .			1.46 ml./gal.
Octane . . . . .			70.8



Many of the smaller refining outfits are primitive and inefficient. Some of them are being operated on co-operative lines, members investing approximately \$8 for every gallon of petrol they require per week. In addition it is necessary to pay for the petrol whatever it costs to produce, which in most cases will not be less than 80 cents per gallon. Such enterprises require about \$28,000 to set up and are geared to produce approximately 3,500 gallons of petrol per week. None of these small groups has any chance of surviving in competition with imported petrols when the war is over, so that members must expect practically to write their investments off. Such expense can only be justified where the organizations participating require petrol at almost any price in order to survive. In view of the unsatisfactory results to date from the one shale oil venture in which the Government has invested, sponsors of other shale-oil areas and processes are having difficulty in obtaining official support for their ventures. Such support is particularly necessary to-day if an enterprise is to begin, because the consent of the Government is required for every step in the development of the business from obtaining permission to raise the necessary capital to securing licences to import the requisite retorting and refining machinery from overseas. On the other hand, if the one organization in which they are interested should show good results in the near future, a more encouraging attitude is likely to be shown toward new undertakings.

## AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, February 11, 1942.—It is becoming increasingly apparent that unprecedented difficulties are likely to be experienced in Australia in 1943 if production is not controlled by measures to restrict sowings during the next six months, since storage facilities are likely to continue to be taxed to capacity owing to increased marketing difficulties and inability to dispose of the greater proportion of the 1941-42 harvest. The Australian Wheat Board announced that the unsold stocks of wheat carried forward from previous seasons amounted on January 3, 1942, to 18,500,000 bushels. In addition to this quantity, it is expected that from a total harvest of 164,092,000 bushels for the 1941-42 season, the Wheat Board will receive 145,000,000 bushels, making a total of about 163,000,000 bushels to be disposed of during 1942. On the same date in 1941 the corresponding figure was 89,000,000 bushels, comprising 25,000,000 bushels carry-over and 63,600,000 bushels from the current harvest.

On account of storage difficulties, the Minister for Commerce has warned wheat-growers that it may be necessary to enforce some reduction of the areas to be sown this year. As labour shortage on farms is increasing, indications are that restriction of production will be imposed on holdings where the area prepared for wheat, being more than 300 acres, will require labour additional to that provided by a farmer and his family in order to handle both sowing and harvesting.

### WHEAT PRICES

Since the beginning of operations by the Australian Wheat Board in October, 1939, the weighted average of shippers' limits for growers bagged and bulk lots, Sydney, Melbourne and Adelaide, has risen from 32d. per bushel in November, 1940, to 50d. in December, 1941. Average returns on a similar basis during the past seven years were as follows: 1935, 37·84d.; 1936, 49·67d.; 1937, 60·61d.; 1938, 40·72d.; 1939, 29·37d.; 1940, 47·50d.; 1941, 49·81d.

Payments to growers on 63,632,000 bushels of wheat acquired during 1940-41 totalled 3s. 5½d. per bushel for bulk wheat and 3s. 7d. per bushel for bagged, less in each case 4½d. per bushel for freight to ports. This compares with advances of 3s. 4½d. and 3s. 6½d. for wheat acquired in 1939-40.

### RECONSTRUCTION OF MARGINAL AREAS

The 1941-42 grant by the Commonwealth Government for the reconstruction of marginal wheat lands amounted to £A580,000 and was allocated among the states as follows: New South Wales, £175,000; Victoria, £80,000; South Australia, £130,000; Western Australia, £115,000.

The purpose of the scheme, which is in its second year, is to reduce uneconomic wheat-growing on marginal areas by transferring about half of the settlers on marginal areas and giving those remaining reasonable prospects of carrying on on a profitable basis with larger holdings devoted mainly to farming operations other than wheat-growing.

Mr. Palmer cabled under date March 17 as follows:—

Estimated production of wheat in Australia for the 1941-42 season is approximately 167,000,000 bushels. The Wheat Board quotation on millers' requirements is approximately 69 cents Canadian per bushel, bulk on trucks at terminals. For other traders' supplies it is 72 cents per bushel, with a discount of one cent per bushel for 600 bushels and upwards. Export flour prices are unchanged to such markets as are still available. Owing to the shortage of calico bags, exports are now in 150-pound sacks when tonnage is available. The Commonwealth plan to reduce production of wheat in Australia in 1942-43 includes compulsory reduction in Western Australia of one-third of that state's normal production, with compensation to grower at the rate of approximately 18 cents for every bushel so reduced. No reduction in other states' acreage except as in present wheat stabilization plan.

### BUSINESS CONDITIONS IN THE WESTERN UNITED STATES IN 1941

J. C. BRITTON, ACTING TRADE COMMISSIONER

Los Angeles, March 3, 1942.—In the Pacific Coast and Mountain States areas 1941 was a year of unparalleled industrial expansion. This development is attributable almost entirely to the defence program, an estimated total of 70 per cent of all workers in the area being employed in aircraft production, shipbuilding, the production of metal and metal products, petroleum refining, and food production activities which directly or indirectly contribute to the war effort.

Under the impetus of greatly increased government and private spending, all levels of economy reached a new high in 1941, according to the Federal Reserve Bank's review of conditions for that year. The expansion was general and covered all phases of industrial production, building, employment, retail trade, and agriculture, and extended to both farm and urban incomes. A lessening in certain fields of industrial activity, reported during the last quarter of the year, was confined to that section engaged in the manufacture of durable consumers' goods where supplies were diverted to military needs, with a consequent curtailment of civilian requirements, but the aggregate of industrial activity increased.

#### DEFENCE INDUSTRIES

The value of defence contracts placed in the Pacific Coast and four Mountain States (Utah, Nevada, Idaho and Arizona) prior to November 30 reached the high figure of \$6,400,000,000. Of this total, \$6,100,000,000 was placed in the Pacific Coast States (California, Oregon and Washington).

The Western aircraft industry led with contracts valued at \$3,000,000,000; followed by shipbuilding, \$2,300,000,000; construction, \$1,000,000,000 and supplies and ordnance, \$159,000,000. The Western States were accorded approximately one-fifth of the national total of defence contracts placed up to November 30.



The shipbuilding industry expanded more rapidly than any other on the West Coast in the closing months of 1941. The maximum scale of operations in this industry was by no means reached in 1941, as contracts awarded to the West Coast call for the completion of more than four hundred ships in addition to those for which contracts had previously been awarded.

### METALS

In normal years metal production in the West Coast and Mountain States is confined largely to steel. Production was considerably increased in 1941 by contributions from the expanding aluminium and magnesium industries. The output of steel was greatly increased, this industry working at 95 per cent of capacity, a rate not heretofore attained. Steel production in 1941 was 38 per cent higher than in 1940 and 57 per cent in excess of the 1939 figure. To meet the increasing military needs, mainly for aircraft, aluminium production, which usually approximates 120,000 tons, was estimated to be four times that figure in 1941. In addition 4,000 tons of magnesium was turned out in 1941, and capacity will be greatly increased in the current year. Magnesium was not produced in the West Coast area prior to 1941.

### BUILDING MATERIALS

Lumber production in the West Coast area during 1941 was 18 per cent higher than in the previous year. During the first seven months production lagged far behind orders received, and at the end of July unfilled orders amounted to 1,600,000,000 board feet. Production finally caught up and continued to keep pace with orders until the beginning of December. The expanded military program of December resulted in a sharp increase in orders, so that at the end of 1941 those unfilled totalled 1,300,000,000 board feet.

Cement production in the States of California, Oregon and Washington was the highest on record, amounting to 24,200,000 barrels in 1941. This was an increase of 31 per cent over the 1940 output.

### CONSTRUCTION

The expenditure on western building reached a total of \$1,159,000,000 in 1941, an increase of 73 per cent over the total for 1940. This amount was subdivided as follows: new non-residential building, \$732,000,000; and new home building, \$371,000,000. Of the total for new non-residential building, \$221,000,000 was spent by the Army and Navy. The major amount, \$419,000,000 was expended on industrial expansion by the metal industries, chiefly iron and steel and magnesium. New shipbuilding facilities cost \$64,000,000 in 1941, making a total expenditure of \$78,000,000 since June, 1940. Spending on the aircraft industry in 1941 amounted to \$22,000,000, a total of \$70,000,000 since the same date.

### MINING

The mining and smelting of the principal non-ferrous metals showed only a slight increase in 1941 notwithstanding the greatly accelerated demand for copper, lead and zinc. Copper, of which Arizona is the leading producer, was up by 11 per cent over the 1940 figure. Zinc production increased by 6 per cent, while the output of lead remained unchanged, and gold production declined slightly by 59,000 fine ounces from the 1940 total. California was the leading gold-producing state, while Idaho held first place in the production of silver, lead and zinc.

### PETROLEUM

The petroleum industry in the West underwent some expansion in 1941 following the more or less normal production in 1939 and 1940. Crude production



showed an increase of roughly 4 per cent; the average daily crude production in 1940 was 631,000 barrels. Production of refined oils was up approximately 9 per cent in 1941. The stocks of petroleum products on hand at the end of 1941 were slightly lower than at the close of 1940.

### AGRICULTURE

Crop production in 1941 was slightly increased as compared with 1940, but receipts from farm marketings and government payments was estimated at \$1,496,800,000, a 30 per cent increase over the preceding year's figure. Government payments were approximately \$46,000,000, or 3 per cent of the total. There was a further curtailment in export markets, so that the rise in farm prices and incomes is traceable to an accelerated domestic demand, Federal Government purchases and to price legislation. Farm production costs increased more rapidly than farm incomes, due to higher costs of seed, feed, building supplies and labour and, as a result, the increase in farm net income did not keep pace with the increase in gross incomes.

Grain and field crops production exceeded the record yield of 1940. The acreages harvested remained more or less the same, but a higher yield per acre was realized. Wheat production amounted to 131,972,000 bushels in 1941 as compared with 105,914,000 bushels in 1940. The value of the 1941 wheat crop was \$118,235,000, an increase of 75 per cent over that for the previous year. The hay crop was valued at \$130,750,000 in 1941 as compared with \$98,954,000 in 1940.

Live stock contributed a cash income of more than \$620,000,000 in 1941, bringing that important branch of agriculture its best year for some time.

Citrus production in California and Arizona in 1941 constituted an all-time record. For the crop year ended October 31, 1941, orange production amounted to 49,978,000 boxes valued at \$70,550,000; this compares with 44,945,000 boxes valued at \$47,724,000 in 1940. Lemon production was 17,099,000 boxes valued at \$22,742,000 in 1941 as against 11,983,000 boxes valued at \$19,053,000 in the previous year. Grapefruit decreased from 4,892,000 boxes in 1940 to 4,633,000 in 1941.

Deciduous fruit and nut crops in 1941 increased in value by more than 50 per cent over the previous year's totals. Grapes and apples again proved the main sources of income, although all the chief crops accounted for a share in the total increased value under this heading, the principal gains being shown for filberts, apricots, apples and grapes. Canned fruits were sold readily in 1941, mainly because of government purchases, and stocks at the end of the year were smaller than at the close of 1940 despite carry-overs.

### MOTION PICTURES

The motion picture industry is reported as having shown increased activity in the year under review. Picture production costs were up by more than 20 per cent, while employment increased moderately. The motion picture industry was fortunate in obtaining needed materials and, therefore largely escaped the difficulties encountered by many other industries.

### FOREIGN TRADE

Trade figures covering the Pacific Coast are available for only the first nine months of 1941. In that time exports were valued at \$257,405,631 as against \$275,366,062 at the end of September, 1940, a decrease of approximately 7 per cent. The value of imports, in contrast, totalled \$211,481,619 for the first nine months of 1941 as compared with \$170,533,318 for the same period in 1940, a gain of 20 per cent. The visible favourable trade balance for the West Coast

ports for the first nine months of 1941 amounted to \$45,924,012 as against \$104,832,744 for 1940, a decrease of more than 55 per cent.

### FUTURE PROSPECTS

The Pacific Coast and Mountain States areas are normally engaged with activities which embrace agriculture, mining, lumbering and the development of other natural resources in general. Industrial expansion along other lines, particularly in metals, is a relatively recent development and, therefore, the boom conditions which obtained in this field in 1941 must have an important bearing on both the present and future economic structure of the Western United States. A continuance at present levels of industrial expansion would produce a condition of self-sufficiency in certain sections of the manufacturing field that might well become a permanent feature of Pacific Coast and Mountain States economy.

Expenditures on materials used in the war effort are more likely to increase than contract and, therefore the high income levels reached in 1941 may reasonably be expected to continue throughout 1942. The Western States economy for 1942, like that of all other sections of the United States, will be dominated by the defence program.

### MARKET IN BRAZIL FOR HAND TOOLS

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

(The Brazilian milreis (1,000 reis) equals 5·69 cents Canadian at current rate of exchange; one conto of reis equals 1,000 milreis; one kilogram equals 2·2 pounds.)

Rio de Janeiro, December 23, 1941.—During recent years there has been a considerable expansion in Brazilian manufacture of hand tools and other hardware. The industry has not yet, however, developed to the point where it can supply more than a part of the local demand, and, on account of their lack of experience, the manufacturers cannot produce articles of as high a quality as those that are imported. There is, therefore, a wide and active market for this class of goods, despite the fact that the prices of imported tools are much higher than those of Brazilian products.

### NOTES ON ITEMS OF IMPORTANCE

Following are notes on the most important items now being imported into Brazil:—

*Pliers.*—Before the war practically all pliers were imported from Germany because their extremely low prices brought a heavy demand despite their poor quality. The prices given below for pliers are those being quoted for German tools still in stock in Brazil; these stocks will probably last for some time.

"Universal" pliers, polished and with a black handle, are usually sold in sizes from 5 inches to 8 inches at 65, 70, 75 and 80 milreis a dozen according to length. "Universal" pliers, insulated, for electricians, tested for 5,000 to 10,000 volts, are quoted at 18 milreis each for 7-inch pliers and 20 milreis for 8-inch pliers.

Flat pointed pliers are sold in 5-, 6-, 7- and 8-inch sizes at 46, 58, 76 and 90 milreis a dozen respectively. Round-point polished pliers, 4-, 5-, and 6-inch sizes, are quoted at 38, 50 and 58 milreis per dozen. Cutting pliers, with jaw in front, 4-, 4½-, 5-, 6- and 7-inch sizes, are quoted at 60, 68, 70, 80 and 100 milreis per dozen. Cutting pliers with a side cut of 4½, 5, 5½ and 6 inches are quoted at 70, 78, 84 and 89 milreis per dozen. Pliers are dutiable at 2·6 milreis per kilogram.



*Hack-saw Frames.*—These have usually been imported from the United Kingdom and the United States. Very little trade has been carried on with Germany in this type of material. Extension frames of 8 to 12 inches and 10 to 14 inches are the usual sizes and are quoted at 18 to 35 milreis each respectively. The duty is 3.1 milreis per kilogram.

*Bit Braces.*—These, either ratchet or plain, with or without ball top, in sizes of 8, 10 and 12 inches, are priced at 18, 26 and 50 milreis each. The major supplier of these tools are the Stanley Works of the United States. The duty is 2.6 milreis per kilogram.

*Ratchet drills* of sizes from 6 to 30 inches are imported almost entirely from the Armstrong Brothers Tool Company of the United States, and prices range from 40 to 320 milreis each for the 30-inch size. The duty is 2.6 milreis per kilogram.

*Wrenches.*—Nut wrenches of various types, including parrot beak and "S" wrenches, monkey wrenches and spanners, were almost entirely imported from Germany, with the exception of tools particularly designed for automobile mechanics, which were and are imported almost entirely from the United States. Prices run from 12 to 60 milreis each according to size. The double-end spanners, however, may be considerably more expensive, depending on the quality. Imported wrenches of chrome-vanadium steel cost as much as 250 milreis each for the large size of 2 to 2½ inches. The duty is 2.6 milreis per kilogram.

Imported combination wrenches for pipes and nuts are from 8 to 18 inches in length and are quoted at from 30 to 150 milreis each. Most of the supplies on the market are of German origin, and the remarks under "pliers" apply to this item.

Pipe wrenches (Stillson) are sold in sizes varying from 6 to 48 inches and have always been imported from the United States. Prices vary from 19 to 450 milreis each according to size.

Chain pipe wrenches, likewise imported from the United States, sell at from 45 to 700 milreis each and range in size from ¾ inch to 10 inches. The duty is 2.6 milreis per kilogram.

*Screw drivers*, both simple and ratchet types, are imported from the United States and range in size from 3 to 12 inches. Prices quoted are from 50 to 180 milreis a dozen according to size and type. The duty is 2.6 milreis per kilogram.

*Pipe cutters* with three cutters are imported from the United Kingdom and are sold at 32 milreis each up to 1-inch size and 80 milreis each up to 3 inches.

*Cold chisels* sold on the Brazilian market are usually of United Kingdom origin and are quoted at 6 milreis per kilogram in quantities from 1 to 5 kilograms. The duty is 2.6 milreis per kilogram.

*Taps and Dies.*—There have always been substantial imports of these articles from Germany, and a considerable local production is also disposed of on the market. However, the most popular are those of United States manufacture. Dies of ⅛ to 1½ inch are quoted at 6 to 120 milreis each according to size. Taps are usually sold in sets containing various numbers ranging in size from ⅛ inch to 2 inches and are sold at 11 to 480 milreis a set. The duty is 4.2 milreis per kilogram.

*Pipe expanders* are imported both from the United Kingdom and the United States. The most popular type is the "Dudgeon", selling at 90 to 480 milreis each according to size. The duty is 2.6 milreis per kilogram.

*Adzes* sold on this market vary in size from No. 00 to No. 3. One of the most popular brands is the "Greaves", manufactured by Messrs. Thomas Turton & Sons of Sheffield. Prices range from 30 to 65 milreis each according to size. The duty is 2.6 milreis per kilogram.



*Planes* of all types are used in Brazil. An indication of prices may be obtained from those of the most popular "Stanley" makes, Nos. 2 and 8, which are quoted as from 65 to 180 milreis a dozen. Plane irons are imported almost entirely from the United States and the United Kingdom. Single-edge irons of  $1\frac{1}{2}$  to  $2\frac{1}{2}$  inches are quoted at 90 to 180 milreis a dozen, while double-edge irons of the same sizes are quoted at 180 to 360 milreis a dozen according to size. The duty is 2.6 milreis per kilogram.

*Chisels*.—Most of the chisels on the market are imported from the United Kingdom and are usually sold without handles. Chisels of  $\frac{1}{8}$ -inch size are sold at 52 milreis a dozen, and prices range upward to 210 milreis a dozen for the  $1\frac{1}{2}$ -inch size. The duty is 2.6 milreis per kilogram.

*Machinists' hammers* with ball peen, weighing from  $1\frac{1}{2}$  to 2 pounds, are imported from the United States. These are priced from 130 to 220 milreis a dozen according to weight. The duty is 2.6 milreis per kilogram.

*Claw hammers*, also of United States origin, in sizes according to the "Stanley" classification Nos. 40 to 44, are quoted at 120 to 200 milreis. The duty is 2.6 milreis per kilogram.

*Hand saws* of United Kingdom origin are usually preferred on this market, although American saws enjoy a good demand. Sizes from 12 to 30 inches are imported, and prices vary from 65 to 320 milreis a dozen according to size.

*Die stocks* are imported from the United States. Sizes ranging from  $\frac{1}{4}$  to  $\frac{3}{4}$  inch are quoted at 280 milreis each to a maximum of 1 conto of reis each for sizes from  $2\frac{1}{2}$  to 4 inches. The duty is 2.6 milreis per kilogram.

*Tinsmiths' Shears*.—Before the war these were imported entirely from Germany and, as in the case of pliers, a large part of the demand is being met from stocks remaining on hand. They are quoted at 36 milreis for the 8-inch size to 48 milreis for the 12-inch size. The duty is 2.6 milreis per kilogram.

*Bench Vises*.—There is practically only one imported bench vise on the market; this is the "Record", made in the United Kingdom. It is priced at 60 milreis for 2-inch jaw to 600 milreis for 8-inch jaw. The duty is from 1.6 to 3.1 milreis per kilogram, depending on weight.

*Pipe vises* of the same brand sell at from 100 milreis for the  $\frac{1}{8}$ - to 2-inch sizes to 500 milreis for the  $\frac{1}{8}$ - to 6-inch sizes. The duty is 2.1 milreis per kilogram.

*Augers and Drills*.—Augers are imported in sizes from  $\frac{1}{4}$  inch to  $2\frac{1}{2}$  inches and are quoted at 100 milreis to 700 milreis a dozen according to size.

*Gimlet bits* of 1 mm. to 8 mm. are imported at prices ranging from 26 to 38 milreis a dozen. The duty is 2.6 milreis per kilogram. It should be noted that almost all the gimlet bits on the market to-day are left over from stocks previously imported from Germany.

#### GARDEN TOOLS

Besides the market for the small tools enumerated above, there is also an excellent opportunity for the sale of garden tools and similar heavier goods. Following are notes on the most important of these:—

*Rakes*.—Before the outbreak of war rakes were imported almost entirely from Germany, and the heavy stocks which were laid in are still being drawn upon. Sizes of rakes offered are from 8 to 16 teeth, and prices range from 50 to 70 milreis a dozen according to the size of the rake. The duty is 0.6 milreis per kilogram.

*Mattocks*.—Spade and axe-head mattocks of  $5\frac{1}{2}$ , 6 and  $6\frac{1}{2}$  pounds imported from the United Kingdom, are offered at 200 to 300 milreis a dozen according to weight. The same prices and weights rule for mattocks of spade and pick-head

types. Recently Brazilian manufacturers have been turning out a satisfactory line of mattocks which are offering serious competition to British supplies. The duty is 0.6 milreis per kilogram.

Single-headed spade mattocks are also imported in  $2\frac{1}{2}$ -, 3- and  $3\frac{1}{2}$ -pound weights and are offered at from 25 to 36 milreis each according to weight. Originally the greater part of these were imported from Germany, a small amount of high-grade products coming from the United Kingdom. However, the Brazilian industry has been supplying practically the whole demand. The duty is 0.6 milreis per kilogram.

*Hoes* of 2,  $2\frac{1}{2}$ , 3 and  $3\frac{1}{2}$  pounds are sold at from 22 to 36 milreis each. The same comment as regards single-headed spade mattocks applies to hoes, and the duty is also the same.

*Axes and hatchets* are now being imported from the United States, although before the war the market was dominated by cheap German products. Hatchets of No. 1 and No. 2 size are now being sold at 250 milreis per dozen, and axes from  $2\frac{1}{2}$  to 6 pounds in weight at 240 to 480 milreis a dozen. The duty is 0.6 milreis per kilogram.

*Shovels*, with either pointed or square end, are sold in sizes from No. 3 to No. 7 at prices ranging from 220 to 400 milreis a dozen. Shovels from the United Kingdom have always had the greatest sale on this market, as quality has been high and prices low.

Coal shovels, 12 by 16 inches, sell at 420 milreis a dozen, and stokers' shovels, 17 by  $9\frac{1}{2}$  inches, at 360 milreis a dozen.

*Ballast forks*, with square or oval tines, having four to ten teeth, are sold at 12 to 55 milreis each according to the number of teeth. These are imported from both the United Kingdom and the United States. The duty is 0.6 milreis per kilogram.

#### APPLICATION OF DUTY

All prices quoted above are net, delivered to buyer's stores. As an assistance in making a comparison of prices, the basic rate of duty applicable to each of the items has been indicated. The legal weight, on which duties on all these articles are based, is the weight of the article plus its immediate wrappings or containers. That is to say, in the case of pliers packed in individual packages of a dozen articles which are in turn packed in a large wooden case, the weight for duty purposes is that of the pliers plus the individual boxes but not including the packing case.

#### ADDITIONAL TAXES

Certain additions to the duty must be made before the complete Customs House charges can be arrived at. These additions are: (a) a surtax of 10 per cent of the basic rate; (b) an exchange tax of 5 per cent of the c.i.f. value of the goods; and (c) a social welfare tax of 2 per cent of the duty-paid value of the goods. A further 10 per cent ad valorem may safely be added to cover all other charges such as brokerage, cartage, etc.

For purposes of converting milreis into dollars, the rate of one milreis equals 5 cents United States is sufficiently close.

#### QUOTATIONS AND TERMS

When quoting, prices should, whenever possible, be c.i.f. Rio de Janeiro and/or Santos, it being understood always that such prices are subject to fluctuations in freight or insurance rates, and such fluctuations run for the account of the buyer. It is preferable also to quote in United States dollars rather than Canadian dollars, as the confusion of official rates and cross rates on New York is thus avoided.



The establishment of credits abroad before goods are actually cleared through the Brazilian Customs House is prohibited except in the case of goods of prime necessity which are not made in Brazil. Therefore, the most advantageous terms available to Canadian exporters of hardware goods are cash against documents.

## **AUSTRALIAN TRADE AND ECONOMIC NOTES**

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

### **Production of Compressed Dried Milk**

Sydney, February 3, 1942.—The Australian Council for Scientific and Industrial Research has announced, following lengthy investigations, that excellent results have been obtained in the production for export of blocks of compressed dried milk. It is further stated that full cream powdered milk is now classed among essential foodstuffs being forwarded to Great Britain at the present time.

Reports recently received further state that the nutritive elements of fresh milk in their original proportions have been maintained as a result of the new methods developed in the extraction of water only. The report emphasizes, however, that over a period of time a certain amount of decomposition has been noted, and dried milk is now packed in tins in which the air has been replaced by nitrogen.

The shortage of tinplate and shipping space led to the decision to experiment in the compressing of dried milk into blocks, with a view to both saving of space and the elimination of tin containers. The results to date have shown that under high pressure, dried whole-cream milk powder can be moulded into a firm block and the volume reduced by more than 50 per cent. Thirty-three pounds of powder can be compressed into a 9-inch cube. This amount contains the food material from 26 gallons (208 pints) of milk. On arrival at overseas destination the blocks can be powdered and beaten up in water to reconvert them to milk. Arrangements are now being made to send the first trial shipment to Great Britain, and a further report will be issued in due course.

Further experiments are now being carried out with a view to compressing powdered milk into 56-pound blocks to fit standard export butter boxes. It is also expected that the same method will be adapted to dried egg powder, in regard to which it is expected more complete details will be available within the next month or two.

### **Australian War Expenditure**

War expenditure by Australia for the first five months of 1941-42 amounted to £A97,305,000 or at the rate of £A233,532,000 per annum, this being the equivalent of £A19,461,000 per month. The budget estimate of war expenditure was £A221,000,000, but it is likely that the war in the Pacific will make a complete revision necessary. The expenditure to date has been met by £A22,107,000 from consolidated revenue and £A75,198,000 from loans.

### **Manufacture of Rubber Tires for Civil Use Banned**

The Australian Ministry for Supply has announced a complete ban on the manufacture of tires for civil use until further notice. It is further stated that manufacturers of tires must reduce sales from existing stocks of motor-car or motorcycle tires forthwith by 50 per cent of the average monthly sales during the quarter ended November 30, 1941, and further that no owner or user of motor-car, motorcycle or motor truck can acquire any additional tires unless it can be established that their supply is immediately essential to enable him to operate his vehicle.

Other items affected by the order in which rubber forms a constituent part are: floor coverings, mattings, motor-car or motor-truck mats, and garden hose.



## TRADING WITH THE ENEMY: ADDITIONS TO LIST OF COUNTRIES AFFECTED BY REGULATIONS

Under Regulation 54 of the Consolidated Regulations respecting Trading with the Enemy (1939), the following are to be considered enemy territory within the meaning of these regulations as and from the dates indicated:—

Philippine Islands.....	Jan. 14, 1942	Singapore .....	Feb. 15, 1942
Malay Peninsula.....	Feb. 15, 1942	Netherlands East Indies...	March 7, 1942

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### GIFT SHIPMENTS TO CANADIAN SOLDIERS

Mr. J. A. Langley, Canadian Trade Commissioner in London, reports that letters received in London indicate that some people in Canada who are desirous of sending gifts to Canadians serving in United Kingdom military and air force units are not aware of the facilities for permitting such gifts to be admitted free of duty and exempt from the weight limitation of five pounds, or two pounds of any one foodstuff, which was announced on May 21, 1941, with regard to gift shipments in general.

The London Custom House confirms that gifts may be sent to men from Canada serving in the United Kingdom forces without observance of this weight limitation and also free of customs duty, provided the parcels are addressed to the individual (with number, name, rank, and unit) in care of "Canadian Auxiliary Services, 6 Dilke Street, Chelsea, London, S.W. 3". The position regarding gifts sent to men serving in units of Dominion forces in the United Kingdom, to secure similar concessions, is that the parcel should be sent direct to the man concerned in care of his unit.

### Australia

#### EXTENSION OF TIME FOR ENTRY OF DELAYED TRUCK CHASSIS

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia, has cabled that an extension of time has been granted for filling the quota of motor-truck chassis allowed to be imported.

Australian regulations regarding the import licensing of motor-vehicle chassis from North America provide that not more than 40 per cent of an importer's annual quota may be imported during any consecutive four months, but adjustment may be made in cases where less than 60 per cent of the quota has been imported in the first eight months of the quota year (May 1 to April 30).

Mr. Cosgrave cables that truck chassis from North America covered by licence for the quota year ending April 30, 1942, are now admissible up to August 31 if the delay in arrival is due to shipping and/or adverse factory conditions. This is applicable only to importations for which licences were issued prior to February 1.

#### INCREASED DUTIES ON TINNED PLATES FURTHER DEFERRED

Deferred duties under Australian customs tariff item No. 147, "iron and steel plates and sheets, plain tinned", that were to have gone into effect on January 1, 1942, have been further deferred until January 1, 1943. Present rates are free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff. Deferred rates are 76s. per ton (2,240 pounds) under

the British preferential tariff and 115s. per ton under the general tariff. The British preferential tariff applies to imports from Canada, and the general tariff to those from all countries outside the British Empire.

## New Zealand

### FURTHER INCREASES IN IMPORT QUOTAS

With reference to the notice published in *Commercial Intelligence Journal* No. 1979 (January 3, 1942), page 19, respecting the relaxation of New Zealand import restrictions, amendments published in the *New Zealand Gazette* of January 22, 1942, show that certain commodities formerly given 1942 quotas of 50 per cent of importations of the same goods in 1940 from the United Kingdom and other British countries (including Canada) are now treated as follows: carbon paper, leather belting, and solid rubber tires have quotas increased to 100 per cent of 1940 importations; spirits increased to 100 per cent of 1941 importations; linoleum, clocks, hat hoods, and upholsterers' materials increased to 75 per cent of 1940 importations; asbestos, screws, and surgeons' rubber gloves admissible from any country to the value applied for.

The quota on yarns from all sources is increased from 50 to 75 per cent and that for specified nails and tacks from 50 to 100 per cent. Surgical and dental instruments from all sources, formerly limited to 50 per cent of 1940 importations, are now admissible to the value applied for.

Pneumatic tires and tubes, applications for the importation of which were formerly dealt with individually, are now given a quota of 100 per cent of imports in 1941 from the United Kingdom and other British countries.

## British Guiana

### QUOTAS ON COTTON PIECE-GOODS AND HOSIERY

The Bulk Purchasing and Price Control Office of British Guiana announces that cotton piece-goods exceeding 2s. 1d. per yard c.i.f. are subject to quota from Canada and sterling areas, and that cotton piece-goods not exceeding 2s. 1d. per yard c.i.f. are admitted from all countries. The equivalent of 2s. 1d. c.i.f. is taken as 42 cents f.o.b. Canadian and 38 cents f.o.b. United States.

The quota on cotton hosiery from non-sterling countries, which has been in effect since September 24, 1941, has been suspended. Imports of cotton hosiery, it is announced, will now be allowed from approved foreign countries.

## Trinidad

### GOODS SUBJECT TO QUOTA

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, Trinidad, submits the following list of goods as a consolidation of lists published from time to time of articles subject to import quotas in Trinidad:—

Jute bags; twine; cotton thread; electrical stoves, irons, rings, hot-plates; kerosene stoves; copper; brass; nickel-silver and cupro-nickel; zinc; lead; whiting chalk; bleaching powder; caustic soda; cement; copper sulphate; sodium chloride; sodium carbonate; sodium bicarbonate; sodium silicate; sodium sulphate; sodium alumina; unmanufactured and semi-manufactured iron and steel; grates; ranges; baths; sinks; basins; refrigerators; bedsteads; bedsprings, including spring mattresses; table cutlery (knives only); scissors; ice-cream freezers; axes; forks; hoes; hatchets; pickaxes; rakes; scythes; shovels; spades; electrical refrigerators; water and beverage coolers; typewriters; sewing-machines; paint; primers; boiler composition; enamels, all kinds; distempers; putty; varnishes; cycles; carts; hand trucks; perambulators; children's tricycles; articles of food and drink; manufactures of paper; photographic films; clocks; watches; wireless receiving sets.

The Trinidad Import Control Board have placed the following quotas on dry goods imports from all sources for 1942 but subject to the prohibitions



published on September 5, 1941, and reported in *Commercial Intelligence Journal* No. 1964 (September 20, 1941), page 356:—

	1942 Quotas Square Yards	1940 Imports Square Yards
Cotton piece-goods . . . . .	9,986,000	9,043,878
Artificial silk piece-goods . . . . .	2,249,270	2,475,110
Woollen piece-goods . . . . .	400,000	406,242
	Value	Value
Made-up cottons: handkerchiefs, towels, etc. . . . .	\$320,045	\$168,194
Women's and girls' apparel: dresses, blouses, etc. . . . .	149,985	93,796
Shirts . . . . .	314,900	371,171
Pyjamas . . . . .	54,130	69,957
Men's shorts and vests . . . . .	135,035	121,332
Underwear of cotton or artificial silk; women's vests, brassieres, etc. . . . .	135,215	119,539
Leather footwear . . . . .	630,100	706,067
Hats, caps, etc. . . . .	225,065	244,633
Cotton hosiery . . . . .	22,605	32,048
Artificial silk hosiery . . . . .	63,150	85,650
Canvas rubber-soled footwear . . . . .	180,080	166,082

## Guatemala

### TARIFF DUTIES CHANGED

Mr. A. B. Muddiman, Canadian Trade Commissioner in Mexico City, writes that some amendments were made in the tariff of Guatemala by a decree of February 11, 1942, effective as from March 16. The duty on cotton shirts or chemises of fabrics having not more than 160 threads per square inch was increased from 1 to 1.75 quetzal per kilogram and, when having a greater thread count, decreased from 2.25 to 1.75 quetzals per kilogram. On hats and caps the duty was reduced from 2 to 1.75 quetzals per kilogram and on hemp or flax thread for harnessmakers' and shoemakers' work from 0.60 to 0.40 quetzal per kilogram. Other changes included some new items added to the tariff and minor amendments in the wording of other items. The goods affected include: cotton thread; sweaters; cork discs for metal bottle tops; records for learning languages; paraffined, waxed or oiled paper; articles of tortoise-shell, mother-of-pearl, ivory, amber and meerschaum; and certain chemicals. (The quetzal is equal to the United States dollar; one kilogram equals 2.204 pounds.)

### ADDITIONAL REQUIREMENTS FOR COMMERCIAL INVOICES

A Guatemalan decree of February 13, 1942, requires that, when giving the value of the articles in the commercial invoice, a separate declaration of the cost of packing, transportation, insurance and other expenses up to the Guatemalan port of entry must be made.

## El Salvador

### CONVENTIONAL DUTIES CONTINUED IN FORCE

Mr. A. B. Muddiman, Canadian Trade Commissioner in Mexico City, writes that an El Salvador decree of January 8, 1942, provides that, in view of the state of war existing between El Salvador and Italy, the commercial treaty of 1934 between the two countries is declared void. Nevertheless, in view of the fact that a trade agreement of 1939 between El Salvador and Netherlands guarantees to the Netherlands the same duty reductions as were accorded to Italy, it is decreed that these reductions shall continue in force and shall apply to imports from countries enjoying most-favoured-nation treatment in El Salvador. Canada is among these countries, having concluded a most-favoured arrangement with El Salvador by an Exchange of Notes of November 2, 1937.



The tariff concessions thus extended consist of a reduction of 15 per cent from the rates of the general tariff on certain products, including cheese, unspecified preserved vegetables (including tomato preserves), wines, mineral waters, artificial silk thread, some woollen textiles, hats, umbrellas, and certain buttons.

### Iceland

#### NOTICE REGARDING CERTIFICATE OF ORIGIN CANCELLED

Mr. D. S. Cole, Canadian Trade Commissioner at New York, reports that the Honourable Agnar Kl. Jonsson, Acting Consul General for Iceland, has informed him that notice of certificates of origin being necessary on shipments from the United States to Iceland, irrespective of the country of origin of the goods, given by the Icelandic Steamship Company on October 11, 1940, has been cancelled.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 16, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 16, 1942, and for the week ending Monday, March 9, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 9	Nominal Quotations in Montreal Week ending March 16	Official Bank Rate
Great Britain . . . . .	Pound	4.8666 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States . . . . .	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico . . . . .	Peso	.4985	.2283	.2284	4
Jamaica . . . . .	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245 Official Free	.3304 .2631	.3304 .2622	3½ —
Brazil . . . . .	Milreis (Paper)	.1196 Official Free	.0673 .0569	.0673 .0571	— —
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia . . . . .	Peso	.9733	.6326	.6327	4
Uruguay . . . . .	Peso	1.0342 Controlled Uncontrolled	.7307 .5852	.7307 .5852	— —
South Africa . . . . .	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt . . . . .	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand . . . . .	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	2 —

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

New Glasgow, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Sarnia, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Edmonton, Alta.

Winnipeg, Man.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Baking Powder.....	3802	Port of Spain, Trinidad...	Agency.
<b>Miscellaneous—</b>			
Leather (Upper, Sides and Kips).....	3807	San Salvador, El Salvador.	Agency.
Upper Leather (Kids, etc.).....	3808	Tegucigalpa, Honduras....	Agency.
Glazed Tiles.....	3811	Guatemala City, Guatemala.....	Agency.
Piece-goods: Cotton, Artificial			
Silk, Silk, Wool.....	3812	Dublin, Ireland.....	Agency.
Hosiery: Ladies' Artificial Silk,			
Lisle and Cashmere.....	3813	Dublin, Ireland.....	Agency.
Haberdashery: Buttons, Hooks			
and Eyes, Patent Fasteners...	3814	Dublin, Ireland.....	Agency.
Underwear: Men's, Women's and			
Children's, of All Materials...	3815	Dublin, Ireland.....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* J. C. BRITTON, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

D. I.

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THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER



## TRINIDAD FOOD CONTROLLER APPOINTED

Mr. G. A. Newman, Canadian Trade Commissioner in Port of Spain, writes under date March 19, 1942, that a development of considerable interest to Canadian shippers to Trinidad is the appointment on March 14 of Hon. Fred G. Grant of T. Geddes Grant Ltd., well-known commission agents and merchants, as Food Controller for Trinidad. In this capacity Mr. Grant is in charge of not only imported food supplies but also of the local production of food and its distribution. Mr. Arthur Hale, director of Hand, Arnold Ltd., another well-known commission firm in Port of Spain, will be in immediate control, under Mr. Grant, of food imports.

Under this arrangement the Trinidad Import Control Board will leave all matters pertaining to food imports entirely to the Food Controller, and will in future confine its attention to dry-goods, hardware and products other than food.

## CONDITIONS IN ARGENTINA IN 1941

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### I

Buenos Aires, March 3, 1942.—The economy of Argentina has still shown remarkably little outward evidence of the effects of the war. There have been changes in direction, but the adjustments have been effected so gradually that there have been few important dislocations in the internal economy. The external balance of payments position has been satisfactorily maintained considering present circumstances. This has been achieved through continuing the practice which has been followed for nearly ten years of budgeting the exchange resources available to pay for imports and to meet the external financial services of the country. The Government has not had to borrow abroad, although, if the exchange budget had been exceeded and importers permitted to bring in larger stocks of essential materials when these were available from abroad earlier in the war, the supply position would have been stronger to-day. Argentina has maintained her financial services abroad without interruption, as during previous crises, throughout the present difficult period.

The Argentine Government has continued its policy of buying the grain crops from producers, despite the growing surpluses, in order to avoid dislocation of the industry and to be assured of having supplies to offer when markets may be open again. The live-stock industry was subsidized for a period after the outbreak of the war, but improved export prices have permitted the Government to increase the fixed prices to producers and to drop the subsidy payments. Domestic commerce has suffered through the reduced movement of both import and export goods. Railway earnings have been affected largely by the failure to move the grain stocks. On the other hand, domestic manufacturing has been expanded greatly to assist in supplying goods which formerly were imported from abroad. This industrial expansion has taken up the greater part of the slack in employment in other branches of industry and trade. There is no unemployment problem necessitating special or direct relief measures.

Argentine industry has still to feel the full effects of the ever-increasing difficulties in the way of obtaining adequate supplies of needed raw materials from abroad for her industries. Fuel supplies present a problem. Unemployment arising through the dislocation of industries faced by shortages of needed materials may present a more serious problem in 1942. Fortunately Argentina can always provide food, housing and clothing for her population from domestic sources with a minimum of effort and cost as compared with most other countries.



The financing of the grain crops at minimum prices to producers and the current budget deficits of the Government in the face of declining revenues presents an increasingly difficult problem, but the Government was able to complete a successful conversion operation in November last affecting the greater part of the consolidated public debt. The interest rates were reduced from 5 and  $4\frac{1}{2}$  per cent to a straight 4 per cent, and the new issue has been made subject to income tax. Government bonds had heretofore been free from income tax.

Argentina is a rich country, and past experience shows that it possesses remarkable powers of recuperation. In normal times one good crop year will be expected to bring the economy back to normal after two bad years. Everyone in Argentina seems to count on this, and there is consequently seldom any great evidence of pessimism with regard to the future.

### ECONOMIC POLICY

Argentina is a Latin country and the Government normally tends to take a realistic view of economic, financial and commercial problems. This approach has been more evident during the past decade in the face of preferential tariffs and quota restrictions imposed abroad against this country's export products.

Argentina felt that in order to maintain a proper degree of commercial and financial independence that her bargaining position had to be improved through achieving a better balance in her internal economy as between her primary producing industries, or agriculture, and her manufacturing industries. Consequently new industrial development has been deliberately fostered by the Government through restrictions against competitive imports. This policy has fitted in with Argentina's immediate need to conserve foreign exchange resources. Argentina has felt that her low-cost but high-quality meats and her low-priced grains are needed abroad and so could be exchanged advantageously for industrial raw materials and the essential manufactured goods which could not be produced economically at home. At the same time Argentina's external credit position has been maintained in a sound position, and the Government has consistently avoided contracting unnecessary new foreign obligations which might present uncontrollable servicing or repayment problems in later years.

Argentine policies have been positive and designed directly towards meeting more immediate problems. The policies might even be termed aggressive in that they were adopted towards meeting or anticipating these problems rather than towards remedying situations that already exist. Argentina has adhered primarily to a policy of independence that was considered possible because of the country's strength as a low-cost agricultural producer and desirable in order that Argentina might not become too dependent economically or financially on any one of her major customers, namely, the United Kingdom, Continental Europe, or the United States. The Argentine Government has not been hampered in carrying out these policies by sentimental attachments of her own people towards these three consuming areas. Argentina has been sentimentally free and geographically isolated enough to adopt this realistic approach to her external economic problems. This country will continue to require many essential materials from abroad that are difficult to obtain now, but is a large exporter too of products which are essential at this time.

### RAILWAYS

The gross revenues of the privately owned railways in Argentina was \$125 million in 1941 as compared with a pre-war five-year average of \$138 million. Total expenses remained almost exactly at the pre-war average, while net income, at the sterling exchange rates for the years, fell from a five-year average of \$19 million to \$12 million in 1941. Argentine exporters receive a fixed exchange rate of 13.50 pesos to the pound sterling. The British-owned railways have to

pay for their imported materials, which are duty free, at 15 pesos to the pound, and are permitted to remit debenture interest and dividends at 16 pesos to the pound. The railways carry their Argentine investments in London at the old par rate of 11.50 pesos to the pound and on this basis showed "exchange losses" of \$8 million in 1941. Debenture interest alone should require a service of £4,643,334 annually.

#### GOVERNMENT REVENUES

The Argentine Ministry of Finance have announced that the deficit of the National Government amounted to \$56.3 million in 1940. It is estimated officially that the deficit for 1941 will reach \$85.4 million based on actual returns to September 30, 1941.

The ordinary general revenue collected by the National Government during 1939 and 1940 and the estimated revenues for 1941 are as follows:—

#### *Argentine Government Revenues*

	1939	1940	1941
	Millions of Dollars		
Customs and port dues . . . . .	106.1	89.8	72.8
Inland revenue . . . . .	57.1	56.3	57.3
Land tax . . . . .	10.5	10.6	10.4
Income tax . . . . .	37.0	41.6	38.2
Sales tax . . . . .	12.1	12.2	11.9
Stamps . . . . .	20.9	21.4	20.9
Licences . . . . .	0.8	0.8	0.8
Mining royalties . . . . .	2.3	2.3	2.3
Succession dues . . . . .	5.9	5.1	5.1
Profits government entities . . . . .	4.6	4.7	4.3
Post office and telegraphs . . . . .	14.7	14.5	13.6
National lottery . . . . .	5.1	5.2	5.4
Exchange profits . . . . .	....	6.6	7.1
Sundry . . . . .	37.4	32.4	24.4
Total . . . . .	314.5*	303.5	274.5

\* An additional \$76.5 and \$83.1 million was collected in 1939 and 1940 respectively, representing the participation of the provinces in various unified taxes.

The duties collected on imported goods amounted to the equivalent of \$60 million in 1941 as compared with \$76.5 million in 1940 and 89.4 million in 1939. This decline resulted from the reduced volume of imports. The basic import duty rates are mainly on a specific rather than on an ad valorem basis. Public debt services of the National Government were estimated to require \$84.4 million in 1941. Total National Government revenues from taxes, including customs duties, were down 10 per cent in 1941 from those for the previous year.

#### INTEREST RATES

The Argentine Central Bank gives the following data on average interest rates for treasury bills, certified 90-day consolidated bonds, interest paid by private banks on 90-day deposits, and the average yield on National Government issues.

#### *Argentine Interest Rates*

	1937	1938	1939	1940	1941
Treasury bills—	%	%	%	%	%
30 days . . . . .	2.05	2.12	2.06	2.00	0.76
90 days . . . . .	2.25	2.50	2.48	2.41	1.08
1 year . . . . .	....	2.97	3.00	3.00	2.24
Certified consolidated bonds, 90 days	1.72	2.38	2.38	2.38	1.17
Interest 90-day bank deposits . . . . .	1.93	2.47	2.39	2.31	2.10
Yields National Government bonds . . . . .	4.87	4.89	4.86	4.82	4.24

Savings bank deposits at October 31, 1941, were \$728,129,000 as compared with \$684,835,000 at the end of 1940. Note circulation was 15 per cent higher at the end of 1941 than at the close of 1940.



## COMMERCIAL AGREEMENTS

The first trade agreement between Canada and Argentina was negotiated and signed during the visit of the Canadian Trade Mission to Buenos Aires in October, 1941. It is a most-favoured-nation agreement and so assures Canada equal treatment with that accorded other treaty countries. This agreement places the commercial relationships between Canada and Argentina on the basis of mutual understanding for the first time.

A few days after the Canadian-Argentine agreement was signed the United States and Argentina signed the first trade agreement that has been in effect between these two countries since 1853. This is also a most-favoured-nation agreement but in addition certain mutual tariff concessions were granted. These concessions apply automatically to Canada by virtue of the Dominion's agreement with Argentina. Since October, 1940, Argentina has signed trade agreements with Canada, the United States, Colombia, Cuba, Brazil, and Peru. In addition special agreements were negotiated with Spain and Finland.

## SHIPPING

The shortage of shipping space became more pronounced towards the close of 1941. The shortage has affected both north- and south-bound traffic between North American ports and Argentina. It is increasingly difficult for shippers to obtain cargo space unless for a product that is on the list of priorities. The Argentine Government has purchased 16 Italian steamers that were interned in this country's ports, and they are already in operation under the Argentine Government Merchant Marine Service. They are carrying Argentine products, largely flaxseed, to the United States and returning with coal and other essential products. Four Danish refrigerated steamers have also been acquired and are now in operation. These four Danish steamers will carry fresh fruits and dairy products from Argentina.

A total of 1,589 ocean steamers arrived at Argentine ports during 1941 as compared with 1,995 in 1940 and 2,619 in 1939. The tonnage of these steamers was 4,645,395 as compared with 6,689,925 in 1940 and 9,452,316 in 1939. The reduced shipping tonnage for last year is reflected in the low volume of grain exported from Argentina.

## EXPORT TRADE

The live-stock and agricultural industries of Argentina are the basis of the country's export trade. Argentina depends on being able to exchange her surpluses of animal products and grain for at least 90 per cent of her import requirements. These export products also pay her external financial services. The industrial development of the country has brought about new stability, but the trends in export values are still reflected directly in the domestic economy.

The aggregate value of all exports from Argentina in 1941 was the equivalent of \$484.4 million.\* This was an increase of 2.5 per cent from the 1940 figure. Argentine export prices were an average of 9 per cent higher for November, 1941, than for August, 1939. The volume of exports, on the other hand, showed a reduction of 34.2 per cent in 1941, due almost entirely to the sharp reduction in exports of grain. Exports of meats and other animal products showed an increase of 30 per cent in value from that for 1940, whereas grain exports were down 53 per cent in value and 46 per cent in volume as against the 1940 figures. Argentine meat shipments increased 13.5 per cent in volume and 25.5 per cent in aggregate value in 1941.

\* Figure corrected by Central Bank for varying exchange rates is 12 per cent higher.



Following is a summary of Argentine exports by groups and values (in Canadian dollars):—

*Summary of Argentine Exports*

	1941		1940	1938
	Per Cent of Total	\$	\$	\$
Animal products . . . . .	62	301,040	231,975	211,351
Live animals . . . . .	..	5,678	5,634	4,638
Meats . . . . .	..	127,950	101,941	105,156
Hides . . . . .	..	48,903	37,794	33,528
Wool . . . . .	..	79,237	64,567	50,911
Dairy products . . . . .	..	22,327	9,097	4,905
Sub-products . . . . .	..	16,945	12,942	12,213
Agricultural products . . . . .	23	114,751	197,317	219,953
Cereals . . . . .	..	84,457	176,050	195,383
Wheat by-products . . . . .	..	2,152	5,882	10,778
Other . . . . .	..	28,142	15,385	13,792
Forest products . . . . .	3	13,712	11,208	13,693
Mining products . . . . .	2	10,705	7,052	5,759
Furs and fish . . . . .	2	4,580	2,012	2,256
Sundry . . . . .	8	39,807	23,164	10,715
Total all groups . . . . .	100	484,595	472,728	463,727

Exports of meats and other animal products represented 62 per cent of all exports from Argentina in 1941 as compared with 49 per cent in 1940. Exports of grain and other agricultural products represented only 23 per cent of the total in 1941 as compared with 42 per cent in 1940. This change in the relative position of live-stock products versus grain and other agricultural products in 1941 is an indication of the difference in the export demand for the products of the two groups. The live-stock industry in Argentina is in a comparatively prosperous position at present, whereas the grain-growing industry is very depressed, with large unsalable export surpluses and very low prices to producers.

Exports of products from other than the agricultural industries of Argentina represented 15 per cent of the total exports in 1941, as against only 9 per cent in 1940. Non-agricultural exports were valued at \$68.9 million in 1941 and at \$43.7 million in 1940. The principal individual items were quebracho extract and metals, including wolfram or tungsten, and furs.

DESTINATIONS OF EXPORTS

Argentine exports were 4 per cent higher in value in 1941 than in the last full pre-war year 1938, when the United Kingdom and the Continental European countries took 77.7 per cent of all Argentine exports. This group took only 40.3 per cent of the exports in 1941. The United Kingdom's position showed little change, that country accounting for 31.7 per cent of the total in 1941 as compared with 32.8 per cent in 1938.

The other Western Hemisphere countries took 20.2 per cent of all exports from Argentina in 1938. In 1941 Argentina's sales to Western Hemisphere countries represented 53.7 per cent of her total exports, or an increase of approximately \$150,000,000 from the 1938 value. Some 80 per cent of this increase was accounted for by heavier purchases of local products by the United States. The United Kingdom has, therefore, maintained her purchases from Argentina at the pre-war level, while increased purchases by the United States have almost entirely offset the loss of the pre-war outlets in Europe. While Argentine export trade has not suffered in the aggregate through the loss of former markets, the live-stock industry, as previously stated, has benefited largely at the expense of the grain-growing industry.

## BUSINESS CONDITIONS IN CHICAGO AND DISTRICT

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, March 4, 1942.—The Federal Reserve Bank of Chicago, reporting for the Seventh Federal Reserve District (comprising Michigan, Indiana, Illinois, Iowa and Wisconsin), stated for February that the change in the business situation following the declaration of war has been one of intensity rather than direction of movement as the shift to a wartime economy had been going on in some industries and had been prepared for in others. Business continued upward despite allocations of essential materials and the transition to war production. January will be remembered as the month when scare buying pushed department store sales to a peak for that month, brought about plans for rationing of certain food products and witnessed the stoppage of civilian production in one of the greatest industries, the manufacture of automobiles.

### PRODUCTION

Production quotas for certain civilian goods were revised downward, as the need for essential materials became more acute. This situation applied particularly to those industries using metals in the fabrication of civilian goods. The producers of basic materials such as coal, oil, and steel operated at near capacity levels.

#### COAL

The urgent need for bituminous coal lifted production in the Illinois, Indiana, Iowa, Michigan area to approximately 8,000,000 net tons during December. This tonnage was second only to the March record of 8,500,000 tons. Production was further increased during the first fifteen days of January, when a total of almost 5,000,000 tons was reached.

#### OIL

The daily average of crude oil production in the district for the four weeks ending January 24 was 439,350 barrels, an increase of 14 per cent over the figure for the same period a year ago. Operations at refineries in the Illinois-Indiana-Kentucky area increased in January, with runs of crude oil to stills exceeding the December runs by 9 per cent. The daily average during January was 692,750 barrels, an increase from 636,000 in the previous month.

#### STEEL

Variations in the steel ingot rate ranged from 101 to 103 per cent. On the basis of annual productive capacity, the estimated January production was 1,300,000 net tons, or about 20 per cent of the total for the nation. The rate at which capacities have been used in the Chicago area has been increasing, and total capacity has increased since the beginning of 1940. In January, 1940, the average weekly rate was 89·3. By January, 1941, it had been increased to 98·3, and in January, 1942, the average was raised to 101·5. The rate for the entire country has been less than at Chicago. The national average for January, 1940, was 83·4. For January, 1941, it was 96·9, and for January, 1942, it declined slightly to 96·5.

The ability of producers in the Chicago area to maintain their position in relation to the national rate has been due in part to the less stringent local scrap situation. During January scrap shipments fell off an estimated 75 per cent, due to the cold wave, causing the closing of a number of furnaces in and around Detroit. The relation of scrap supplies to the demands of producers has been further reduced by the virtual elimination of the automobile industry as a source of prime industrial scrap.



### CONSTRUCTION

Total construction for the area increased by 10 per cent during January from the volume attained during the same period of 1941 but showed no significant increase over December's. Residential building gained 16 per cent, and non-residential construction rose 14 per cent over that of a year ago. Public utility construction was 45 per cent below last year's.

### EMPLOYMENT

Payroll figures for December, the latest available, continued their upward movement, reaching a new all-time high of 179 per cent of the 1935-39 average, a gain of 27 per cent over those of a year ago. The increases were about equal in the durable and non-durable groups. The former increased by 26 per cent, and the latter by 22 per cent. The metals group led with a gain of 42 per cent, followed by chemicals with 30 per cent and food with 29. The vehicle and rubber groups were the only ones to show declines.

While the index of employment for December declined to 141 from 144 for the previous month, the index a year ago was 121.8, an increase over the year of 16 per cent. Every group except metals, paper and printing, and leather showed slight losses in the monthly comparison. Every classification showed substantial increases over December, 1940.

### RETAIL SALES

Fears of shortages and price increases caused a rush of retail buying, which increased the dollar volume of department store sales to a new record for January. Sales were particularly heavy during the weeks ended January 17 and 24. January clearances were a substantial factor, but buying spread to other lines.

## CHICAGO FISH MARKET CONDITIONS IN 1941

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, March 11, 1942.—Fresh and frozen fishery products received in the Chicago wholesale market during 1941 increased by about 10 per cent over receipts in the previous year, amounting to 65,569,000 pounds. Of this quantity, Canada supplied 12,600,746 pounds or about 20 per cent, an increase of approximately 10 per cent as compared with shipments during 1940.

Arrivals of fresh-water fish continued to predominate, increasing by 5 per cent in volume to a total of 33,398,681 pounds. Receipts of salt-water fish showed a large gain of 33 per cent over the preceding year's figures, due mainly to increased shipments of the various frozen fillets, and totalled 21,564,339 pounds. Shellfish varieties, on the other hand, declined by 8 per cent, owing largely to reduced deliveries of oysters and shrimp, and amounted to 10,606,141 pounds.

Altogether 101 classifications of fishery products were received, of which 41 were salt-water, 39 fresh-water and 21 shellfish and miscellaneous items. Of the total shipments, 39 per cent was delivered by truck, 37 per cent by freight and 24 per cent by express.

By a monthly comparison, receipts were heaviest during October, followed by November and March and least in August. Arrivals from Canada were greatest during February and March.

With respect to volume, the three leading species, as in 1940, were fresh and frozen halibut, shrimp, and lake trout, which accounted for 13, 11 and 9 per cent respectively of the total receipts. Seventy per cent of the total arrived, in order of their importance, from: Massachusetts, 14 per cent; British Columbia, 13 per cent; Wisconsin, 12 per cent; Manitoba, 11 per cent; Michigan, 9 per cent;



Louisiana, 7 per cent; and Minnesota, 4 per cent. It should be noted, however, that in the percentage total for British Columbia is included fish caught by United States vessels and shipped through Canada in bond.

There was also a definite trend during 1941 toward an increasing utilization of frozen fishery products (with emphasis on the filleted product) as against fresh, brought about in large measure by the necessity for supplying the United States Army and Navy and a wider inland distribution. From a marketing standpoint increased consumption and widened distribution have tended to increase competition, to improve shipping and packing methods and to stabilize prices.

#### FRESH-WATER FISH

The following table lists the species and quantities in pounds of fresh-water fish received at Chicago from Canada during 1941, by provinces, with comparative figures for 1940:

#### *Receipts of Canadian Fresh-water Fish on the Chicago Market by Provinces*

	Ontario		Manitoba		Saskatchewan		Alberta		Total	
	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Blue pike.....	54,126	13,017							54,126	13,017
Buffalo fish.....		1,490								1,490
Bullheads.....	6,281	14,760	1,177	13,011					7,458	27,771
Carp.....	164	2,700							164	2,700
Catfish.....	30,703	10,442	105	145					30,808	10,587
Chubs.....	27,206	8,905							27,206	8,905
Cisco.....	140	61,504							140	61,504
Crappie.....	1,655	10,501							1,655	10,501
Eels.....	15,872	12,090							15,872	12,090
Lake herring.....	3,048	2,391		400					3,048	2,791
Lake trout.....	392,626	463,416	37,992	21,794			415,850	287,100	846,468	772,310
Lake trout, frozen.....			3,821	1,245	6,908	12,122	280,193	282,306	290,922	295,673
Menominee.....	3,875	693							3,875	693
Pickrel (jacks).....	7,560	22,853	48,730	38,969	4,250	32,816	1,350	6,902	61,890	101,540
Pickrel, frozen.....			3,646	2,354	4,305	5,384			7,951	7,738
Rock bass.....	3,605	4,882							3,605	4,882
Sauger.....	14,771	20,154	2,535,410	1,844,136				1,000	2,550,181	1,865,290
Sauger, frozen.....	14,325		2,300,673	1,557,851					2,314,998	1,557,851
Sheepshead.....	21,283	30,390							21,283	30,390
Sturgeon.....	4,461		603						5,064	
Suckers.....	2,370	2,607	13,607	21,094					15,977	23,701
Sunfish.....	27,143	10,925							27,143	10,925
Tullibee.....		1,175	36,938	19,768					36,938	20,943
Tullibee, frozen.....			392,987	178,312					392,987	178,312
White bass.....	29,546	8,469							29,546	8,469
Whitefish.....	445,360	438,322	317,229	455,162		7,834	127,604	599,698	890,193	1,501,016
Whitefish, frozen.....	22,000	400	255,963	150,123	399,597	390,143	215,262	88,610	892,822	629,276
Yellow perch.....	420,063	195,314	538,707	395,699			500	14,110	959,270	605,123
Yellow perch, frozen.....			39,501	24,167					39,501	24,167
Yellow pike.....	65,595	67,715	671,464	593,794	75,600	3,734	19,654	23,005	832,313	688,248
Yellow pike, frozen.....			84,090	51,486	52,993	15,819	4,945	300	142,028	67,605
Unclassified.....	5,517	4,728	500	5,785					6,017	10,513
Total.....	1,619,295	1,409,813	7,283,143	5,375,295	543,653	467,852	1,065,358	1,303,031	10,511,449	8,555,991

Total figures of arrivals from other provinces are as follows:—

	1941	1940
	Lb.	Lb.
New Brunswick: Smelt, frozen.....	90,042	95,857
Nova Scotia: Smelt, frozen.....	7,729	24,244
Quebec: Eels.....	16,945	95,328
Sturgeon.....	60	
British Columbia: Sturgeon, frozen.....	7,000	
Total.....	121,776	215,429
Total all provinces.....	10,633,225	8,771,420

The above total of 10,633,225 pounds represented 31 per cent of the total quantity received in 1941. Any other species in which Canada did not share were unimportant in volume.

## SALT-WATER FISH

Salt-water fish arrivals from Canada were as follows:—

*Receipts of Canadian Salt-water Fish on the Chicago Market by Provinces*

	British Columbia		Nova Scotia		New Brunswick		Total	
	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.
Cod fillets.....				2,300				2,300
Cod fillets, frozen.....			274,670	257,694	12,000		286,670	257,694
Flounders .....			13,700	13,150			13,700	13,150
Haddock.....				6,250				6,250
Haddock, frozen .....			130,598	127,297	32,000	24,855	162,598	152,152
Halibut .....	466,883	969,758					466,883	969,758
Halibut, frozen.....	336,232	554,576					336,232	554,576
Herring, sea (sardine) ..		1,190		37,475		1,000		39,665
Mackerel, frozen .....			31,000	250			31,000	250
Pollock fillets, frozen ..				6,000				6,000
Rosefish fillets, frozen ..			35,132	31,575			35,132	31,575
Sablefish, frozen .....	2,000	26,700					2,000	26,700
Salmon, chum (fall), frozen	89,000	65,350					89,000	65,350
Salmon, king (chinook) ..	63,425	89,805					63,425	89,805
Salmon, king (chinook), frozen .....	24,000	115,400					24,000	115,400
Salmon, pink (humpback) ..		17,000						17,000
Salmon, silver .....	25,295	159,587					25,295	159,587
Salmon, silver, frozen ..	167,500	98,290					167,500	98,290
Salmon, unclassified, frozen.		3,000						3,000
Sole fillets .....			5,000				5,000	
Sole fillets, frozen.....	5,000		30,886	43,345			35,886	43,345
Swordfish, frozen .....			7,800				7,800	
Whiting fillets, frozen ..			29,187		13,000		42,187	
Wolfish (catfish).....			26,732	24,000			26,732	24,000
Unclassified.....			149				149	
Total .....	1,179,335	2,100,656	584,854	549,336	57,000	25,855	1,821,189	2,675,847

In addition, a total of 26,030 pounds of cod fillets were received from the Province of Quebec, making the total arrivals 1,847,219 pounds in 1941 as against 2,675,847 pounds in 1940.

The above 1941 total was only 8½ per cent of the whole quantity received, and the almost 70 per cent decrease from the figure for the preceding year was due mainly to greatly reduced shipments of halibut and king and silver salmon.

Other leading species of salt-water fish received of which Canada was not a shipper were: flounders, 463,410 pounds, mainly from Massachusetts; red snapper, 247,694 pounds, from Alabama and Florida; sea bass, 143,066 pounds, from New York and New Jersey; scup (porgy), 102,384 pounds, from Virginia and New York; and shad, 49,292 pounds, from New York.

## SHELLFISH

Canada supplied the following quantities of shellfish:—

*Receipts of Canadian Shellfish by Provinces*

	New Brunswick		Nova Scotia		Total	
	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.
Lobsters .....	112,953	109,259	640	2,500	113,593	111,759
Lobster meat .....	1,209	1,260			1,209	1,260
Tails, frozen .....			5,000	4,000	5,000	4,000
Squid, frozen .....			500		500	
Total .....	114,162	110,519	6,140	6,500	120,302	117,019

This total for 1941 from Canada was less than 1 per cent of the total shellfish arrivals. The principal species in which Canada did not share were: shrimp, fresh and frozen, 7,026,048 pounds, mainly from Louisiana, Texas and

Alabama; oysters, shell and shucked, 975,801 pounds, from New York, New Jersey and Virginia; hard clams, 486,356 pounds, from New York and New Jersey; and sea scallops, 258,143 pounds, from Massachusetts.

### METHODS OF TRANSPORT

Combining the above tables, Canada's total shipments of fishery products were despatched to Chicago as follows:—

#### *Total Receipts of Canadian Fish on the Chicago Market*

	Truck		Express		Freight		Total	
	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.	1941 Lb.	1940 Lb.
British Columbia . . . . .			555,603	1,238,150	630,732	862,506	1,186,335	2,100,656
Alberta . . . . .		4,310	564,958	923,403	500,400	375,318	1,065,358	1,303,031
Saskatchewan . . . . .		6,626	79,850	1,258	463,803	459,968	543,653	467,852
Manitoba . . . . .	2,659,540	2,005,691	479,271	813,053	4,144,332	2,556,551	7,283,143	5,375,295
Ontario . . . . .	892,672	698,674	704,623	711,139	22,000	.....	1,619,295	1,409,813
Quebec . . . . .			17,005	20,234	26,030	75,094	43,035	95,328
New Brunswick . . . . .			114,162	111,181	147,042	121,050	261,204	232,231
Nova Scotia . . . . .		6,000	640	2,500	598,083	571,580	598,723	580,080
Total . . . . .	3,552,212	2,721,301	2,516,112	3,820,918	6,532,422	5,022,067	12,600,746	11,564,286

## AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

### Use of Seaweed in Meat Canning

Sydney, February 3, 1942.—The Australian Council for Scientific and Industrial Research recently reported the discovery of a successful substitute for agar-agar, a substance with some of the properties of gelatin, which was imported from Japan in pre-war years to the extent of more than 70 tons per annum. Its main use was in meat canning because of its ability to stand up to the high temperature required in the sterilization of the meat, and it formed the jelly in tongues, "camp-pie" and other well-known products. Jam-makers and confectioners also used agar-agar for special purposes, while certain quantities were used to make vaccines against cholera and typhoid. Fortunately an agar-producing seaweed (*Gracilaria confervoides*) has now been found on the coast of Southern New South Wales in the vicinity of Sydney. Further surveys have been made, and considerable information has been gained with additional discoveries of this important seaweed in Tasmania and Western Australia. It is one of the red seaweeds and grows on sandy bottom from low-tide level to ten or twenty fathoms. In appearance it resembles long dark-red rather coarse hair growing in tufts on the sea-bed, sometimes streaming in the tide and at others loosely coiled in still water. Its length varies from a few inches to twelve feet or so, and once seen it is easily recognized. When dried it rather resembles hemp, as it bleaches to a deep cream. Often, after storms, long rolls of this seaweed are washed up on the beach, sometimes pure and sometimes mixed with other seaweeds that so far are not considered to be of value.

The Fisheries Division have also in the course of their investigations produced a successful harvester in the form of a metal frame trawl five feet wide and fitted with sharp V-shaped teeth. The weed is torn from the bottom and caught in the net behind the teeth as the trawl is towed along the bottom. A 7-h.p. engine is strong enough to tow the trawl and reap about half a ton of wet seaweed in an hour.

Preliminary investigations show that satisfactory agar-agar has been produced from *Gracilaria confervoides*, and an experimental plant is now being erected at Cronulla in New South Wales to study details of production for commercial use.



### **Export Surplus of Canned Fruit**

The Commonwealth Government has decided to accept financial responsibility for the export surplus of the 1941-42 pack of canned fruits. The Ministry of Commerce states that this scheme will involve a liability of £A750,000. On the assumption that the normal surplus of canned fruits is reduced by diversion to pulp, it is expected that there will still be an export surplus of 900,000 cases to which the Government's guarantee will apply.

The Ministry of Commerce further state that the uncertain conditions arising from the war would in all probability cause a serious difficulty in the disposal of the 1942 and subsequent packs. Growers and canners have therefore been urged to take notice of the general position in determining operations for the next crop.

Action has also been taken by the Australian Department of Supply, in conjunction with the Department of Commerce, to requisition the present season's pack of canned apricots in order to control the distribution of supplies against specified requirements.

It is explained that the arrangements recently entered into between the Commonwealth Government and the canned fruits industry provided for a diversion from canning to pulping in order to meet the demands of the British Ministry of Food for substantial quantities of fruit pulp instead of canned fruits in 1942.

Under the scheme a maximum output of apricot pulp was required and, to achieve this result, the canning of apricots had been restricted to the quantities necessary to meet Service requirements and certain export markets only. No apricots would be canned or marketed for Australian civil requirements. However, this did not mean that there would be a shortage of canned fruit for the Australian consumer. Adequate supplies of canned peaches and pears would be available to replace the volume of canned apricots withdrawn from the local market.

It was considered desirable to take control of the new season's limited output to ensure that existing supplies were directed to meeting the essential demands of the Services and those export outlets for which provision was desired.

### **Production of Match Chemical in Australia**

It is stated officially that Australia will begin the manufacture of chlorate of potash for use in match production by June of this year. This chemical was wholly imported in pre-war years and, on account of Australia's inability to secure supplies from overseas, the distribution of matches to retailers has recently been cut to 75 per cent of pre-war requirements. As a result of the production of chlorate of potash it is expected that normal requirements will again be available.

### **Insurance of War-damaged Property**

Advance details of a proposed property insurance scheme have been announced by the Commonwealth treasurer. The rate of 4s. per cent suggested by the Government will apply to both brick and wooden buildings. No differentiation is made in respect of different properties by reason of the varying degree of risk involved. In principle the scheme provides for all property-owners to contribute to a common pool. For this reason country buildings will be subject to the same rate as applies to all other buildings. Premiums paid under these schemes will be allowable as deductions from assessable income for tax purposes. It is not proposed that there shall be a special rate in cases where buildings are equipped with fire-protection devices.

The Commonwealth statistician states that the value of property insured against fire in Australia is about £A1,600,000,000. While this affords a guide to

the risk to be covered under the war-damage scheme, it could not be considered an accurate guide. However, on this basis the proposed rate of contribution of 4s. per cent would produce an annual revenue of £A3,176,000.

Further provisions are as follows:—

1. On movable property (including plant, machinery, office furniture, and other business or professional equipment) insurance will be compulsory where the value exceeds £1,000 and voluntary where the amount is less.
2. For private chattels (personal effects, furniture, etc.) provision will be made for voluntary insurance.
3. On commodities, etc., and stocks of goods insurance will be compulsory where the value exceeds £1,000 and voluntary where the amount is less. Provision will be made for voluntary insurance of live stock, crops and fencing.

It is also proposed that contributions and payments in respect of the foregoing arrangements will be handled by approved insurance companies acting as agents for the Commonwealth. It is further provided that any surplus funds at the conclusion of hostilities will be used for post-war reconstruction or readjustment in such manner as Parliament then determines.

Full details are expected to be issued shortly by a small commission to be set up immediately to administer the regulations.

### **Australian Butter and Cheese Shipments to Great Britain**

The Australian Ministry of Commerce state that the British Ministry of Food will not take larger quantities of Australian butter this year than is provided in the contract originally made with Australia and New Zealand—150,000 tons—of which Australia's share was 60,000 tons and New Zealand's 90,000 tons. It has, therefore, been recommended by the Australian Ministry that Australian factories change over to the manufacture of cheese. The British Government have guaranteed to absorb 40,000 tons of Australian cheese per annum for the duration of the war and will also take additional quantities, although firm purchases of such additional quantities cannot be arranged in advance. The Australian Ministry of Commerce point out, however, that the estimated Australian output of cheese will be under the desired quantities this year, hence the recommendation to reduce butter production and increase that of cheese.

### **Australian Shipbuilding**

Orders for the construction of fourteen more Australian-built ships at a cost of £6,000,000 have been placed by the Australian War Cabinet. The Prime Minister announces that this would be carried out under the second half of the Commonwealth Shipbuilding Board's Australian shipbuilding plan. The first half of the plan provided for the construction of eleven standard-type ships at a cost of £6,000,000. The first of these eleven ships is now almost ready for launching, and the adoption of the second stage of the program means that as each completed hull leaves the slips the keel will be laid for a new one. It is further announced that the new plans provided for six of the total twenty-five ships being built under the new program to be designed to take refrigeration for Australian outward cargoes overseas.

### **Factory Figures in New South Wales**

Factory activity throughout New South Wales, the leading industrial area of Australia, reached a higher level in 1941 than had ever previously been attained, according to recent figures issued by the Government statistician. Returns by 9,919 factories employing 267,880 people showed a total wage roll of £A57,759,532. The value of work done in factories increased by more than



£A18,000,000 to £A115,000,000, while the average number of employees increased by 28,500 and the wages earned by more than £A10,000,000. Additions to and replacements of factory premises, plant and machinery cost £11,765,000. The figures further show an increase of 135,628 employees and £A68,390,900 in the value of production for 1940-41 as compared with the depression year 1932.

### **Production of Aluminium in Australia**

The Ministry of Munitions has announced that the Australian Government is investigating the possibilities of establishing an industry for the manufacture of aluminium from Australian bauxite deposits. It is further stated that the proposed industry will be wholly government-owned and its location will depend largely on the amount of electrical power available in proximity to bauxite deposits and other requirements. A definite decision is expected within the next few weeks. The establishment of the proposed aluminium industry is estimated to cost approximately £A1,500,000.

### **Australian Mica Deposits**

The Australian Minister for Air has announced that deposits of high-grade mica in central Australia have been found suitable for the manufacture of aeroplane sparking plugs, as a result of which it is expected that plans for the production of synthetic ceramic insulators will not now be necessary. It is further anticipated that the mica field will now be developed by private enterprise, assisted by the Commonwealth Government, and that this production will make Australia independent of mica imports formerly obtained from Madagascar.

### **War Savings Certificates**

Sales of war savings certificates in Australia now total £A29,678,700. State totals are: New South Wales £A11,082,148; Victoria £A8,732,195; Queensland £A4,568,972; South Australia £A2,470,214; Western Australia £A2,007,774; Tasmania £A817,397.

### **Savings Bank Deposits**

Savings bank deposits in Australia reached a new high total of £A265,239,000 at the end of November, 1941. The increase on the total for the previous month, which, in turn, had been the highest on record, was £A1,640,000. For the year ended November 30, 1941, the total deposits in savings banks increased by £A19,553,000.

## **CONDITIONS IN THE CUBAN AND DOMINICAN REPUBLIC DRIED AND SMOKED FISH MARKETS**

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### **Cuba**

Havana, March 15, 1942.—The main features of the Havana market during the past month were an advance in the price of Canadian codfish and a renewal of Icelandic competition.

#### **HAVANA MARKET**

Prices of Canadian codfish advanced during the past month to \$18 and \$17.50 for imperials and large size respectively per cwt. c.i.f. Havana, an increase of \$1 per unit as compared with quotations of one month ago. Demand is reported to be brisk, but deliveries are behind schedule as a result of the shortage of shipping space. On account of a large shipment of Icelandic fish, approximating 3,800 bales of assorted types including cod, ling and saithe, which arrived about three weeks ago, it was feared that the market would become glutted, with a resultant falling-off in the demand for Canadian fish. However, this has not been the case, and is explained by the fact that the Icelandic fish,



which was ordered more than eight months ago, was so long en route that it arrived in such poor condition that much of it has not been cleared through the Customs. Apparently very little of this shipment has found its way to the Havana market and, while it is not yet known what the final disposition of it will be, it is unlikely to have any adverse effect on the sales of Canadian codfish.

It should be borne in mind, however, that there is a market in Cuba for dried salt fish of lower quality and price than cod, such as hake, ling and saithe, and if Canadian exporters are in a position to offer these types, there is no doubt that considerable quantities can be placed.

#### SANTIAGO DE CUBA

This market continues to show no change. All allotments are being placed at the same prices as reported in effect under date February 15, viz: \$15.50 and \$15 for medium and small cod respectively per drum of 128 pounds c.i.f. Santiago de Cuba.

#### Dominican Republic

Slightly higher prices paid and offered for one or two of the principal types of dried fish were the main features during February in the dried fish market of the Dominican Republic. Although this year's sugar crop will be the largest that has been harvested for a great many years and employment in the cane fields will continue at a maximum for a much longer period than normally, the high prices of dried fish of all kinds continue to restrict consumption to about two-thirds of normal. There is, however, an indication that consumption will improve with the approach of Holy Week (beginning March 30). All prices quoted hereunder are those which were current at March 1.

Some 900 drums (of 128 pounds each) of Labrador semi-dried codfish are reported en route to the republic from Newfoundland. No change in last month's basic price of \$14.50 c.i.f. per drum has been indicated, although there is an additional freight charge of 15 cents per drum and war risk insurance at 1½ per cent. There are, however, indications that, because of an increased demand from Spain and Portugal, the Newfoundland Fisheries Board will increase the aforementioned price for March and April shipments. The c.i.f. quotation for pollock ranges between last month's price of \$14.50 and \$15, although as far as is known there have been no transactions at these figures. The offered price for hake has also risen from \$13.50 to \$14 c.i.f., with but little business reported. There has been no change in the price of haddock and no reports of sales during February.

Sales of Magdalen count 90/110 bloaters continue to be somewhat slow, with no change reported in last month's price of \$2.15 to \$2.20 per box c.i.f.

### GUATEMALAN MARKET FOR EQUIPMENT, MACHINERY AND METALS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One quetzal equals \$1.10 Canadian; one kilo equals 2.2 pounds.)

Mexico City, February 2, 1941.—The following table shows the values of the more important items of machinery, equipment and metals imported into Guatemala in 1940:—

	Quetzales		Quetzales
Railway material . . . . .	644,003	Machetes . . . . .	7,208
Electrical apparatus . . . . .	255,255	Domestic utensils . . . . .	62,537
Power machinery . . . . .	192,127	Tubes and pipes . . . . .	185,716
Automobiles . . . . .	177,582	Manufactured ironwork . . . . .	351,698
Galvanized sheets . . . . .	131,024	Sewing machines . . . . .	26,413
Motor trucks . . . . .	123,932	Ploughs and agricultural machinery . . . . .	13,045
Automobile accessories . . . . .	68,259	Fence wire . . . . .	20,192
Tools for agriculture . . . . .	78,463	Nails . . . . .	84,462
Mechanical tools . . . . .	28,835	Typewriters . . . . .	43,466

## RAILWAY MATERIAL

The International Railways of Central America were inaugurated in 1912 and represent a consolidation of the Guatemala Railway (189 miles), the Guatemala Central Railway (139 miles), the Occidental Railway (51 miles) and the Ocos Railway (22 miles). Control was purchased by American capital in 1924. The company's lines at present extend from Puerto Barrios to Guatemala City, a distance of 198 miles, thence to San José de Guatemala on the Pacific coast, an additional distance of 74 miles. Thus these routes carry both freight and passengers from the Atlantic to the Pacific.

The railways at one time maintained a separate purchasing office in New York, but at present have amalgamated their purchasing office with that of the United Fruit Company in New York.

The railways are three-foot gauge and all rolling stock has to be constructed for these dimensions. Except in minor supplies, it is impossible to sell railway equipment to these railways through local agents in Guatemala.

At the end of the calendar year 1940 the International Railways of Central America had in operation in Guatemala 74 steam locomotives and 1,797 cars in good condition, made up as follows: 25 baggage and mail cars; 8 combination passenger coaches; 106 passenger cars with seating capacity of fifty seats; 349 banana cars; 508 box cars; 264 flat cars; 57 oil tank cars; 1 refrigerator car; 77 stock cars; and 53 other freight cars.

The freight cars have an average capacity of 20 tons. In addition there were 347 work cars in use for the company's services. The railways maintain a business office at 52 Wall street, New York City.

In addition to the International Railways of Central America, there is also in Guatemala the Compañía del Ferrocarril Verapaz y Agencias del Norte, Limitada. This company is a Guatemalan corporation of German ownership, which operates three Baldwin coal-burning locomotives, two passenger cars, one baggage car, 17 box cars (20 tons each), five flat cars, one pile-driver car, and some minor equipment, such as two small motor cars, dump cars, flat and hand cars.

This company operates a combined water and rail transportation system. It has 29.5 miles of tracks and about one mile of sidings and switches. The gauge is three feet, and the rails used are 90 feet in length and weigh 40 pounds to the yard. The ties of this railway are all steel.

## ELECTRICAL EQUIPMENT

The main electric plant in Guatemala is the Empresa Eléctrica de Guatemala. It has three plants which generate a total capacity of 10,178 h.p. and which supply the Capital. The voltage of the main transmission lines is 66,000. This is stepped down to 4,000 volts on the primary circuit, and supplied to users at 220 volts for commercial purposes and 110 volts for lighting purposes.

The total number of electric plants in the Republic is 560 and the consumption is 49,480,980 k.w.h.

The Empresa Eléctrica de Guatemala has showrooms in the Capital, displaying household equipment and electrical accessories. There is a moderate use of electrical household utensils, but price limits their sale. About 496 of the larger coffee *fincas* have electric plants of their own; but it is stated that some of the *fincas* now run steam plants, because it is cheaper to drive their cleaning plants by steam than by electricity.

## EQUIPMENT FOR COFFEE PLANTATIONS

There are about 15,000 coffee plantations in Guatemala, of which about 12,000 are quite small. The equipment used by coffee *fincas*, or plantations, includes the following: machetes, hoes, bags for picking (standard size Calcutta



2½ pounds), bags for export (as for picking and also any other kind from El Salvador, Mexico, etc.), bags for shell coffee (28 by 48 inches, cloth same weight as standard Calcutta 2½ pounds), roasters (*pulperos*), linings for roasters (*camisas para pulperos*), belting, coffee dryers, boilers, pelton wheels, cart wheels and axles, trucks, hemp, cement, corrugated sheet iron, black sheet iron, fertilizers, ploughs, big scales, files, lubricating greases and oils, tires, nails, barbed wire, staples, hose.

### EQUIPMENT FOR SUGAR MILLS

There are about eleven sugar producers in Guatemala. The principal equipment and supplies used in the local sugar mills is as follows: machetes (a different type to those used for coffee), hoes, jute bags holding one quintal, cotton bags holding 50 and 25 pounds, sewing-machines for sewing the bags, belting, sugar dryers, boilers, pelton wheels, cart wheels and axles, sugar mills, trucks, hemp, cement, corrugated sheet iron, black sheet iron, ploughs, sulphur, large scales, files, lubricating greases and oils, tires, nails, barbed wire, staples, hose, rails, small locomotives, wagons for sugar cane.

### SAWMILLS

There are at least 100 sawmills in the Republic of Guatemala. There are, however, only a few mills using circular saws. More than 90 per cent of the machinery of the latter is of United States manufacture. The feeding devices are of the friction type, with impulsion by cable or cog. Gang saws are not used. Since labour is cheap, there is no demand for labour-saving equipment. For example, in practically all the mills logs are handled by hand, without even cant hooks. American bit sets reduce the kerf to eight or nine thirty-seconds of an inch. The motive power is generally steam.

Stocks of lumber are not carried. The lumber is generally marketed entirely green. Kilns and proper kiln-drying equipment are practically unknown.

Logs are felled by hand with axes. They are usually snaked out by oxen and whenever possible water transportation is used. However, there are few waterways and few roads in the lumbering area.

### WOODWORKING INDUSTRY

The woodworking industry is not large. It purchases abroad such machinery as planers, edgers, matchers, single-double spindle shapers, tenoners, small band saws, saw benches, universal wood-workers, and lathes. The bulk of the machinery used is of United States manufacture, although before the war there was a considerable use of German machinery. A well-known German import house supplied the machinery, this business being aided by German ownership of the largest mills.

The principal lumber worked is Spanish cedar, mahogany and pine, for the making of doors, windows, and furniture. The machine knives, planing knives, dadoing machine knives and small solid two-circular knives used in these operations are all of United States origin.

Price is the dominating factor in the purchase of machinery. It was for this reason that the bulk of the business formerly was in German hands.

### ARMY EQUIPMENT

For some time Guatemalan officials have been considering the re-equipping of the cook-houses in the various barracks. Before the war broke out, Germany was quoting on equipment for this purpose. Detailed information regarding German offers and illustrations of different types of equipment are on file (quote file No. 29097) in the Department of Trade and Commerce, Ottawa.



## HOSPITAL EQUIPMENT

There is occasional demand for hospital equipment in Guatemala, chiefly for government account. In recent years Germany supplied most of such equipment. Not long ago tenders were asked for equipment for a tuberculosis hospital, and quotations were submitted by Germany. Full particulars and illustrations of the German offers, which covered major equipment and accessories in detail, are on file in the Department of Trade and Commerce, Ottawa, and may be inspected by interested Canadian firms (quote file No. 29097).

## TUBES AND PIPES

The United States supplies the bulk of tubes and pipes, but before the war Belgium, Germany and the United Kingdom also exported fair quantities to Guatemala. When times become normal, there would appear to be no reason why Canada can not compete. The general demand is for such items as the following: joints, galvanized, from  $\frac{1}{2}$ " to 2"; tees, galvanized, from  $\frac{1}{2}$ " to 2"; elbows, galvanized, from  $\frac{1}{2}$ " to 2"; nipples, galvanized, from  $\frac{1}{2}$ " to 1"; reduction bushings and tees, galvanized, sizes from  $\frac{1}{2}$ " to 2"; plugs, galvanized, from  $\frac{1}{2}$ " to 2"; couplings, galvanized, from  $\frac{1}{2}$ " to 2"; closed and open bends, and pipe,  $\frac{1}{2}$ " to 2" sizes, galvanized; and faucets, mainly  $\frac{1}{2}$ ", and  $\frac{1}{2}$ " and 2" gate valves for pressure to 125 pounds.

## AUTOMOBILES

The number of automobiles in use in Guatemala is small. Since the war began the importation of Italian and German automobiles has ceased. All American makes are in use in the country.

Motor-cycles and side-cars all come from the United States. During 1940 about 105 motor-cycles were imported. Imports of trailers in 1940 totalled 291, of which 287 came from the United States.

Tractors are imported free of duty.

## AGRICULTURAL IMPLEMENTS

The following table shows the values of the principal imports of agricultural implements into Guatemala in 1940 by supplying countries:—

	Quetzales	Quetzales
Ploughs, plough shares, cultivators, harrows, rakes, sowers, levelling machines, stump- pullers and harvesters . . . . .	Canada . . . . .	135
	United States . . . . .	3,835
	Total . . . . .	3,970
Machines and apparatus for destroying nox- ious animals and parasites . . . . .	United States . . . . .	1,357
	United Kingdom . . . . .	160
	Mexico . . . . .	895
	Total . . . . .	2,412
Machinery, no.p., for agriculture . . . . .	United States . . . . .	238
	United Kingdom . . . . .	35
	Total . . . . .	273
Machines n.o.p., of all kinds such as: cut- ters, choppers, presses, gins, baling ma- chines, etc., also their spare parts, and accessories, n.o.p. . . . .	Germany . . . . .	3,858
	Canada . . . . .	27
	United States . . . . .	2,499
	Total . . . . .	6,384
Hoes, axes, spades, pruning hooks, machetes and billhooks, n.o.p., without sheaths . .	Germany . . . . .	2,678
	United States . . . . .	46,445
	Holland . . . . .	687
	England . . . . .	18,559
	Mexico . . . . .	28
	Total . . . . .	68,397

Pruning knives of all kinds, including folding-knives . . . . .	Germany . . . . .	182
	United States . . . . .	726
	United Kingdom . . . . .	205
	Total . . . . .	1,113
Machetes, commonly known as <i>vizcainos</i> steeled or not, without sheaths. . . . .	United States . . . . .	7,181
Hand-tools, n.o.p., for agriculture. . . . .	Germany . . . . .	73
	Belgium . . . . .	28
	United States . . . . .	6,817
	United Kingdom . . . . .	694
	Sweden . . . . .	297
	Total . . . . .	7,909

There has been a sharp decline in the imports of agricultural implements in 1940 as compared with those of the previous year, the value being only U.S.\$35,685 as compared with U.S.\$121,450 in 1939. This was partly due to the falling-off of German imports. Imports from Germany in 1939 were valued at U.S.\$35,157 and in 1940 at only U.S.\$3,098.

#### IRON AND STEEL FOR CONSTRUCTION

Imports of iron and steel for construction purposes totalled 4,220,102 kilograms in the first six months of 1941. The chief shipper was the United States, which accounted for 4,217,020 kilograms. The United Kingdom supplied 1,687 and Canada 1,395 kilograms.

#### AVIATION EQUIPMENT

A military-pilot training school is conducted by the Guatemalan Air Corps at Aurora Airport, Guatemala City. Training equipment consists of 7 aeroplanes. The course is two years and the usual number of students is eight.

"Aerovías de Guatemala" has announced that a mechanical and repair department with modern equipment for handling and repairing of aviation motors, etc., is to be installed at Aurora Airport. Equipment has been purchased in the United States.

### CONTROL OF EXPORTS FROM CANADA

#### REGULATIONS AMENDED

By Export Permit Branch Order No. 26, effective March 21, 1942, Export Permit Regulation 7(b), as established by Order No. 19, effective December 15, 1941, is cancelled and the following is substituted:—

7(b) Export Permits shall not be required for shipments of \$100 or less in value to Newfoundland, except in respect of rubber and rubber products and except in respect of sugar, as provided in Regulation 30.

#### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 2028, effective March 13, 1942, the exportation from Canada to any country of onions in their natural state, included in Group I: Agricultural and Vegetable Products, is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce.

By Order in Council P.C. 2069, effective March 18, 1942, exportation from Canada to any country of the following products is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce:—

##### Group 1—Agricultural and Vegetable Products

Maple syrup and maple sugar.

Essential oils: eucalyptus, lemongrass, patchouli, sandalwood, cassia, peppermint, jasmin, bergamot, lavender, and neroli oils; essential oils, n.o.p.

##### Group 2—Animals and Animal Products

Glue and glue stock.

##### Group 8—Chemical and Allied Products

Molasses and syrups produced from cane or beet, not intended for human consumption.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### INDIVIDUAL IMPORT LICENCES FOR SHELLAC

The Import Licensing Department of the Board of Trade, in a notice to importers dated January 22, 1942, announced that the Open General Licence which had permitted the importation, without separate licence for each shipment, of shellac (including seedlac and sticklac) from the British Empire and certain specified non-Empire countries, would be revoked as from January 26. Since that date separate licences have been required, except as regards goods proved to have been despatched to the United Kingdom before January 26 and which were imported into that country before March 26, 1942.

#### IMPORT LICENCES FOR TRANSIT OR TRANSHIPMENT GOODS

Notice to Importers 132A of the Import Licensing Department of the Board of Trade, dated February 5, 1942, announces that from March 1, 1942, the control by licence, which came into operation on July 15, 1941, over goods imported into the United Kingdom, which are entered with the Customs as in transit or for transshipment, will be applied to such goods whatever the date of despatch to the United Kingdom.

Prior to March 1, goods proved to have been despatched to the United Kingdom before July 15, 1941, for transit or transshipment, were exempt from the licence requirements. Since March 1 the only exceptions to the licence requirement are ships' surplus stores that are transferred under the Customs Transshipment Regulations to other ships for use as stores, and live quadruped animals.

The notice states that application for licence, which must be completed by a person domiciled in the United Kingdom, should quote the reference number of any navicert or other Ministry of Economic Warfare Document covering the shipment. For goods originating in an Empire country, details of the export licence, if required in such country, should be given, and in particular it should be stated whether the licence was granted expressly for shipment to the country for which the goods are ultimately intended. For goods destined for an Empire country or belligerent ally, details of the import licence, if required in such country, should be given.

The notice emphasizes that no arrangements should be made for the despatch to the United Kingdom of any goods for exportation after transit through the United Kingdom or by way of transshipment until a licence permitting this has been obtained. Failure to comply with the requirement renders the goods liable to seizure on arrival.

### Trinidad

#### IMPORT PERMITS FOR DRY GOODS

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, writes under date March 19, 1942, that it is at present the practice of the Trinidad Import Control Board to issue permits for certain dry-goods items without reference to quota allotments, placing the onus on the importer of seeing that his quotas are not exceeded, each importer being fully informed as to what his annual or period quota may be.

The products dealt with in this manner are as follows: cotton piece-goods; artificial silk piece-goods; woollen piece-goods; made-up cottons; women's and girls' apparel; shirts for men; pyjamas; men's shirts and vests; underwear of



cotton or artificial silk; women's vests, brassieres, etc.; leather footwear; hats; caps; cotton hosiery; artificial silk hosiery; and canvas rubber-soled footwear.

It will be appreciated, therefore, that Canadian shippers are obliged to rely on the integrity of the importer or agent with whom they are doing business in these products.

### **Union of South Africa**

#### **IMPORT PERMIT REQUIRED FOR ENTREPOT MERCHANDISE**

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, writes under date January 20 that, apparently for reasons of finance and to conserve dollar exchange, South African import permits are now required for entrepot merchandise arriving from non-sterling countries. When import restrictions became effective on September 15, 1941, goods imported in bond for ultimate sale as ships' stores, or for re-export, were exempt, but the Controller of Imports has now ruled that goods landed in South Africa from non-sterling countries, whether for consumption or in bond, require an import permit. Goods in transit on a through bill of lading but transhipped at a Union port do not require import permits. Various commodities were listed in *Commercial Intelligence Journal* No. 1965 (September 27, 1941), pages 377-8, as prohibited imports under these licensing regulations.

### **Southern Rhodesia**

#### **EXEMPTION FROM LICENCE FOR ORDERED GOODS**

With reference to the announcement in *Commercial Intelligence Journal* No. 1980 (January 10, 1942), page 44, respecting import permits required in Southern Rhodesia for goods ordered after December 24, 1941, the Canadian Trade Commissioner at Johannesburg reports that the exemption from import licences for goods ordered before December 24 will apply whether such orders were received in Canada or by agents in Southern Rhodesia.

### **Mexico**

#### **IMPORT REGULATIONS FOR PULP MODIFIED**

Mr. A. B. Muddiman, Canadian Trade Commissioner in Mexico City, writes that a Mexican decree, published March 9, 1942, provides that mechanical wood-pulp and cellulose pulp in sheets may now be imported into Mexico at the low rates of duty specified in the tariff without fulfilling the requirements as laid down in the tariff whenever, in the opinion of the Mexican Department of Finance, it has been proved that such pulp is to be used in the manufacture of paper. The requirements now no longer in force were that the sheets were not to be dyed and were to be perforated with holes spaced not over 15 millimetres apart, measurement to be taken between the nearest points of the holes. The rates of duty are 0.80 peso per 100 kilograms (about 8½ cents per 100 pounds) for mechanical wood-pulp and 1 peso per 100 kilograms (about 10½ cents per 100 pounds) for cellulose pulp.

### **Argentina**

#### **EXCHANGE REGULATIONS**

Mr. J. A. Strong, Commercial Attaché in Buenos Aires, writes under date March 7 that bare or insulated copper wire and cable, lanterns of yellow metal and lamp shades, previously not permitted entry into Argentina from countries in the dollar area, may now be imported subject to the necessary

foreign exchange having been bought at the semi-weekly exchange auctions. The rate of exchange at these auctions is usually about 4.95 Argentine paper pesos to the United States dollar, or about 34 per cent above the preferred official rate.

### Dominican Republic

#### DOCUMENTATION REQUIREMENTS CHANGED

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana writes under date March 16, 1942, that, effective March 1, 1942, exporters are required to present to the Consulate of the Dominican Republic for certification five copies of each of the consular invoice and of the bill of lading covering shipments to the Dominican Republic instead of the four copies of each document as has been customary hitherto.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 23, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 23, 1942, and for the week ending Monday, March 16, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 16	Nominal Quotations in Montreal Week ending March 23	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2284	.2284	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2622	.2631	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6327	.6328	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5852	.5852	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

### Peru

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### South Africa

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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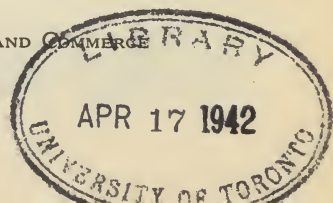
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## CONDITIONS IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, February 13, 1942.—In the speech from the throne at the opening of the Union Parliament on January 12, attention was directed to the continued high level of activity and production maintained by the South African gold-mining industry. According to official figures, the output from the Transvaal mines in 1941 reached the new high record of 14,386,361 fine ounces, an increase of 348,620 fine ounces over the production figure for the preceding twelve months.

The quantity of ore milled in 1941 was 67,255,450 tons, and the average yield per ton was 4·13 dwts. as compared with 64,515,350 tons and 4·19 dwts. respectively in the previous year. The valuation of the 1941 output also reached the record figure of £120,845,424, or £7,029,654 more than in 1940, owing in part to the larger output and in part to the higher price of gold, which averaged 168s. as compared with 162s. in 1940 and 148s. 8½d. in 1939.

There has also been increased activity in the mining of base metals. Iron ore production for the first three-quarters of the year was 690,000 tons in comparison with 489,000 tons during the corresponding period of 1940. The output of manganese ore has concurrently increased from 37,000 tons to 386,000 tons. The quantity of coal mined was also up, having risen, when the respective nine-month periods are compared, from 1,662,000 tons to 1,569,000 tons.

### AGRICULTURE

Agriculture has been hampered by drought conditions that resulted in a wheat crop of only 13,000,000 bushels as against an average of about 16,400,000 bushels. The output of maize for the current season will also be below normal, some 5,000,000 to 7,000,000 bags (of 200 pounds) less than a year ago, and it is expected that imports will be necessary. The situation as regards fresh fruit is also unfavourable.

On the other hand the wool clip for 1941-42 is reported as having exceeded 250,000,000 pounds, an increase of approximately 9,000,000 pounds as compared with that for the previous season. With prices stabilized on a remunerative basis, the returns from this principal branch of agriculture should be satisfactory.

### INDUSTRIAL PRODUCTION

The majority of manufacturers are operating to full capacity to fill war orders and meet the demand resulting from the increasing dependence of the home market on domestic producers. Many new industries have been established, and some shipments of manufactured goods have already been made, particularly to adjacent African territories. The building industry has been quiet, owing to restrictions placed on new undertakings and to a shortage of essential raw materials. An exception has been the erection of barracks and other wartime structures, which has maintained the statistical position of the industry on a high plane.

### CONTROL MEASURES

Wholesale and retail price index figures continue to move upwards, although the freezing and control of commodity prices have kept them from getting out of hand.

Gasoline rationing became effective on February 1, 1942, and, in view of the scarcity of many goods, it is hinted that rationing may be extended. The desirability of producing standard articles at fixed prices is also being considered.

### BANKING AND FINANCE

Bank clearings for 1941 show an increase of over 18 per cent in comparison with 1940, the actual figures for the two years being £1,192,400,000 and £1,022,800,000 respectively.



A surplus of gold production during the year enabled the Union to repatriate some of its external loans. There has been an increase of about £28,000,000 in the volume of money in circulation and an additional expansion on account of war expenditure. This is reflected in an increase of the Commercial Bank's holdings of government securities of approximately £15,000,000 to £16,000,000. A further £5,000,000 has gone into note circulation, indicative of the increase in industrial production, higher wage payments and higher prices. Altogether the volume of money, excluding private bank-notes, coins, deposits with minor banking institutions and the financial business of government agencies, has increased by £43,000,000 to £196,000,000.

If, however, government deposits with the Reserve Bank are cancelled, and if government loans held by that institution could be wiped out, the financial position of the Government would be much the same as at the end of 1940. This means that the volume of money could be reduced by at least £15,000,000 by removing the duplication of assets and liabilities in government accounts.

State revenues continue to increase. For the first ten months of the fiscal year customs and excise revenue was £16,729,168 in comparison with £11,446,630 for the same period of the year before. Post and telegraph receipts increased to £6,116,154 from £5,251,630, and inland revenue to £32,205,905 from £27,321,451. In the same period expenditure on revenue account increased from £57,455,160 to £61,303,633. In the ten months ended January defence expenditure totalled £61,700,000 as compared with £44,650,000 in the corresponding period of 1940-41.

Railway earnings during 1941 amounted to £39,200,000 or over £3,500,000 more than in 1940, the increase being credited to all parts of the country and all income sources.

## GASOLINE RATIONING IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, February 10, 1942.—By a proclamation issued under the War Measures Act of 1940, the rationing of gasoline became effective in South Africa from February 1, 1942. Previously attempts had been made to reduce consumption by closing filling stations from noon on Saturdays until Monday mornings and by appeals for the practice of voluntary economy. These measures were not without effect, but with the extension of the war and a probable shortage of supplies, more drastic action became imperative.

The administration of the rationing scheme is under the direction of a Controller appointed by the Minister of Commerce and Industries. The proclamation introducing the regulations empowers the Controller to issue ration coupons, which are delivered through post offices in all parts of the Union. It is specified that no person is entitled to any ration coupons, and the issue of these is entirely at the discretion of the Controller. The coupons are valid only for the month printed thereon, but by official notification the period of validity may be extended or shortened. It is provided that special permits for the supply of gasoline may be issued to government departments, municipal and local authorities, His Majesty's Forces, to any person who requires gasoline for use other than in the engine of a motor vehicle, to any bona fide farmer, and to any owner of a motor truck, van or bus.

### REGULATIONS GOVERNING ISSUE

The coupons provided bear the name of the month for which they are valid and also the number of the vehicle for which the gasoline is intended. They are not transferable, and the gasoline, when purchased, must be poured directly into a tank which is a normal part of the motor vehicle bearing the registration numbers and letters appearing on the counterfoil of the coupon. A fee of 3d. is charged for each issue of gasoline ration coupons and special gasoline permits.

The basic rations vary from 13 to 32 gallons per month, depending on the weight of the vehicle. Particulars of these are as hereunder:—

Motor Cars		Motor Cycles	
Weight in Pounds	Gallons per Month	Horse Power	Gallons per Month
1001-1500 .....	13	Up to 2 .....	4
1501-2000 .....	16	With side-car .....	6
2001-2500 .....	18	2½ to 4 .....	5
2501-3000 .....	21	With side-car .....	8
3001-3500 .....	24	4½ upwards .....	7
3501-4000 .....	26	With side-car .....	10
4001-4500 .....	29		
4501-5000 .....	32		

Provision is made for the issue of extra rations to supplement the above basic allowances. These may be supplied to car-owners subject to certain conditions such as occupation, distance between residence and place of business, urgent business, or exceptional circumstances. The applicant is required to make an affidavit covering his requirements, and authority to deal with this is vested in the Controller or an officer appointed by him.

## SUMMARY OF THE TRADE OF CANADA: MONTH OF FEBRUARY AND TWO MONTHS ENDING FEBRUARY, 1942

The following table, compiled by the External Trade Branch, Dominion Bureau of Statistics, summarizes Canadian trade by main groups during the month of February and two months ending February, 1942:—

Main Groups	Month of February, 1942			Two Months ending February, 1942		
	Total Imports \$	From United Kingdom \$	From United States \$	Total Imports \$	From United Kingdom \$	From United States \$
<b>Imports for Consumption</b>						
Agricultural and vegetable products .....	11,851,550	348,603	4,570,189	22,007,392	860,287	9,305,861
Animals and animal products ..	2,528,676	317,882	1,448,590	6,005,180	704,466	3,025,349
Fibres, textiles and textile products .....	12,034,967	4,215,642	5,261,094	32,453,841	12,061,744	12,505,608
Wood, wood products and paper	3,586,997	224,955	3,276,070	6,944,517	401,928	6,382,143
Iron and its products .....	31,317,463	687,746	30,563,819	67,248,126	1,810,894	65,260,302
Non-ferrous metals and their products .....	6,869,735	412,666	5,289,856	15,525,624	896,985	11,234,991
Non-metallic minerals and their products .....	12,714,417	910,098	10,927,353	26,800,153	2,336,799	22,218,436
Chemicals and allied products ..	4,891,703	530,883	4,059,855	10,749,208	1,402,706	8,777,507
Miscellaneous commodities .....	33,760,343	2,904,242	30,789,298	73,948,394	10,502,297	62,990,170
<b>Total imports</b>						
1942 .....	119,555,851	10,552,717	96,186,124	261,682,435	30,978,106	201,700,367
1941 .....	89,631,628	10,006,758	63,014,878	188,014,090	24,379,566	138,287,614
1940 .....	71,041,553	9,527,262	50,029,107	142,145,698	19,468,546	98,604,710
	Total Exports \$	To United Kingdom \$	To United States \$	Total Exports \$	To United Kingdom \$	To United States \$
<b>Exports (Canadian Produce)</b>						
Agricultural and vegetable products .....	15,562,281	8,455,630	2,156,252	34,439,369	20,102,621	5,538,719
Animals and animal products ..	20,381,242	11,316,245	6,798,105	44,545,377	25,172,908	15,239,129
Fibres, textiles and textile products .....	3,370,652	173,961	695,501	5,404,766	291,113	1,356,799
Wood, wood products and paper	30,662,358	3,195,703	25,168,210	60,042,510	5,261,396	50,086,231
Iron and its products .....	37,569,121	11,211,102	2,133,595	66,004,768	19,720,061	3,666,227
Non-ferrous metals and their products .....	19,968,508	7,793,072	8,857,946	43,303,628	17,637,522	18,466,946
Non-metallic minerals and their products .....	3,961,954	217,405	3,026,622	7,324,059	598,505	5,665,537
Chemicals and allied products ..	7,893,872	3,933,846	2,915,016	13,007,657	5,399,491	5,205,827
Miscellaneous commodities .....	27,148,980	12,984,598	2,312,294	42,466,738	20,083,787	4,920,911
<b>Totals, 1942</b> .....	166,518,968	59,281,562	54,063,541	317,038,872	114,267,044	110,146,236
1941 .....	99,596,443	46,147,629	34,140,287	186,517,911	81,800,107	70,183,191
1940 .....	71,078,946	29,687,857	24,899,468	161,179,079	69,243,285	53,708,132
<b>Exports (Foreign Produce)</b>						
<b>Totals, 1942</b> .....	1,677,893	270,089	1,200,298	3,465,426	492,670	2,096,624
1941 .....	927,707	143,460	519,664	2,958,898	817,745	1,108,154
1940 .....	1,235,125	20,662	1,163,052	1,988,829	55,104	1,819,856
<b>Excess of imports (i) or exports (e)</b>						
<b>Totals, 1942</b> .....	(e)48,641,010	(e)48,998,934	(i)40,922,285	(e)58,821,863	(e)83,781,968	(i)89,457,507
1941 .....	(e)10,892,522	(e)36,194,331	(i)33,354,927	(e)1,462,719	(e)58,238,286	(i)66,996,269
1940 .....	(e)1,272,518	(e)20,181,257	(i)23,966,587	(e)21,022,210	(e)49,829,843	(i)43,076,722



## SCOTTISH POST-WAR INDUSTRY

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, February 25, 1942.—Scotland's industries are mainly of the heavy type—shipbuilding, engineering, iron and steel—and at the close of the last war this part of the United Kingdom, with a heavy industry greatly expanded by the temporary demand for armaments and with few alternative outlets, was in an unfavourable position, as compared with the South, to provide employment for labour and opportunities for the investment of capital. In order to avoid a repetition after the present war of the prolonged period of hardship which followed the last war, and also to deal with the immediate needs of industry, the Secretary of State for Scotland recently convened in Edinburgh a meeting of local authorities and representatives of other Scottish organizations to consider the problem.

The Secretary of State made the announcement that, as regards wartime activities, the Scottish office had no direct industrial contacts and were, therefore, unable to supply their Council (of ex-Secretaries of State for Scotland) with current information, either concerning the movement of industrial enterprises or the selection of nucleus firms and establishments in England and Wales and the consequent telescoping of Scottish industrial enterprises southwards. This refers to the wartime concentration or "telescoping" of industries to speed up the war effort. With regard to the post-war problem, he said, they must be informed concerning interested new industrial enterprises that were likely to continue in operation after the war and where in Scotland there are suitable vacant buildings, labour to be had, and services, such as water, gas, and electricity, available, so that united efforts may be made to have these new enterprises established in Scotland. It would be most unfortunate should Scotland have to rely to an undue and disproportionate extent upon armament industries. When orders for armaments ceased, this country might be confronted, as after the last war, with problems that the London Home Counties escaped almost entirely.

In the years prior to the present war, unemployment figures in Scotland compared poorly with those for the United Kingdom as a whole. In the three years 1936, 1937 and 1938 the number of unemployed persons in Scotland was never less than 14 per cent of the insured population, increasing at one time to 20 per cent, while the highest figure for the whole Kingdom was 14.4 per cent.

The Secretary of State added that the President of the Board of Trade and the Controller-General of Factory and Storage premises were in thorough agreement with the steps contemplated, and the Minister of Labour and National Service had assured him of assistance in restoring the balance so far as Scotland was concerned.

The following resolution, moved by Lord Elgin, representing the Scottish Development Council, was adopted:—

That the representatives of the Local Authority Associations and other representative Scottish bodies present resolve to constitute themselves forthwith a Provisional Standing Scottish Industrial Council to watch industrial movements and advise the Secretary of State and the Advisory Council of ex-Secretaries on questions relating to the location of industry in Scotland, so as to assist them in securing that the industrial position of Scotland is fully safeguarded.



## INDUSTRY AND TRADE IN SCOTLAND IN 1941

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

### SHIPBUILDING AND ENGINEERING

Glasgow, February 28, 1942.—War conditions impose much secrecy upon the activities of the shipbuilding and engineering industries, but enough information has been released to show that they have responded magnificently to the pressing needs of the fighting services.

Progress in the construction of new tonnage and in ship repairing has been steadily maintained despite inclement weather, the shorter periods of daylight, and the black-out regulations, which not only affect outside operations but add to the difficulties of transporting workers to and from work. This progress is reflected in the heavy demands on the steel works for mild-steel plates and sections, most of which are going to the shipbuilding yards under the system of priorities in operation.

No figures of launchings are available but, although production in shipbuilding and engineering reached high levels in 1941, new records of output at the Scottish centres are anticipated for 1942. Production is limited only by the capacity of the yards and the supply of skilled labour. Increased output has been assisted by the degree of standardization of design which has been effected and by the policy of placing repeat orders with individual firms.

In marine engineering establishments activity was on a scale proportionate to that in the shipyards, and these works were taxed to the limit.

Plants manufacturing locomotives and freight cars have also been busy as a result of the greatly increased wartime traffic on the railways, both freight and passenger, and to supply the needs of various war zones abroad.

The lighter branches of the engineering industries have shown considerable expansion of their activities, including the making of aeroplane parts and instruments. In these branches a high proportion of women is now engaged.

Ordinary building operations, which are now restricted by government regulations, have not provided full-time employment for structural engineers, who have for some time been engaged on the construction of munition plants and other important buildings and also in the fabrication of steel for the shipyards. The machine-tool industry of Glasgow and other parts of Scotland are capable of large outputs, but they have been pressed to the limit to meet wartime demands and, in fact, have not been able to meet all requirements.

### IRON AND STEEL

The production of iron and steel for ordinary purposes in 1941 was small, the bulk of Great Britain's total output being required for war purposes. Exports have ceased except of products which are to be utilized in other countries in the war effort. The Scottish steel trade, operated under high pressure throughout the year, and while production figures are not available, the output undoubtedly exceeded that of any year in the history of the industry. There were adequate supplies of raw material, pig iron and scrap, and also of fuel.

Increasing needs of shipping tonnage intensified the demand for ship plates, sections, and boiler plates and other material, and the production of hard alloy steels increased to meet the needs of a still greater demand for armaments, especially tanks and aeroplanes.

Scottish blast furnaces have been operating to capacity. The light castings industry has been quiet because of the cessation of house building and consequently the lower demand for domestic appliances and iron products used in the building trade.

Steel prices remained at the levels fixed in November, 1940.

## COAL

There were ample supplies of fuel during the year for the war industries, the railways, electric power stations and gas undertakings. Towards the close of the year the Mines Department introduced a scheme which placed the distribution of domestic coal on a new basis, the coal being sent to selected distribution depots so situated that the strain on railway transport would be reduced.

According to the Secretary of the Mines Department, the coal reserves of Great Britain, have been built up in recent months to a total of about 30,000,000 tons, with the object of having current production meet current consumption. This has stimulated interest in schemes to promote economy in the use of coal, and committees are to be formed among members of the various trade and research organizations and lecture courses are being arranged for managerial staffs in order to encourage this movement.

## SCOTTISH BANKING

Reports for 1941 show that the eight Scottish banks continued in a strong liquid position, and there was a further expansion in their resources. Dividends continued at last year's levels, and reserves increased. Liabilities to the public were £442,656,000 as compared with £493,378,000 in 1940, while assets, at £478,617,000, were up by £48,321,000 as compared with the previous year. Net profits, at £2,361,432, were down by £196,531, which is attributed to increased taxation and higher operating costs.

## TIMBER TRADE

The year 1941 was a busy one for the timber trade, the outstanding feature of which was the expansion in the production of home-grown wood, a large proportion of which was produced by many scattered units of the Canadian Forestry Corps in Scotland. Import licences continue to be closely scrutinized and are granted only when the Control are satisfied that the timber is to be used for national purposes.

The sawmills have been kept busy throughout the year converting imported timber into the needed dimensions and producing home-grown wood. The latter is being forced into consumption in order to reduce as far as possible imports of overseas timber and so reduce the demand for much-needed ocean tonnage. The bulk of the imported softwood has, of course, been of Canadian origin and includes Douglas fir, Western hemlock, red cedar and Eastern spruce. Timber has been in strong demand throughout the year, and essential supplies have been available. The prospects are that these conditions will continue.

## AGRICULTURE

It is estimated that the area under arable crops in the United Kingdom has been increased since the beginning of the war by over 4,500,000 acres, which seems to be about the limit of expansion. The loyal co-operation of the farmers with the County Agricultural Executive Committees, who carry through the Government's production campaign, has made this possible despite many difficulties. The greatest difficulty is the shortage of labour. Many farm workers have been called into active and other forms of national service, so that the great increase in the area of land under cultivation and in the production of food is a remarkable achievement.

The minimum farm wage has been increased in England to £3 a week, and it is likely that Scottish farm workers will also shortly be paid the same minimum. On the whole, farming in Scotland enjoyed a prosperous year in



1941, especially the dairying branch of the industry. On the other hand, for hill sheep farmers, owing to inadequate prices for mutton and wool, and for those on marginal land who were compelled to plough up areas which cannot grow an adequate crop of grain or potatoes, conditions were less favourable.

At the end of 1940 the Government granted a subsidy of 2s. 6d. per head (about 56 cents) for breeding ewes and in 1941 this was trebled. A subsidy of £10 an acre has been granted for potatoes, and there has been a renewal of the subsidy for breeding heavy horses.

The Government's main concern has been milk production, and in the rationing of feeding stuffs first preference has been given to dairy cows. Pigs and poultry have been drastically reduced in number, and there has also been some reduction in the number of beef cattle in the country. A great amount of winter feeding has been provided by grass silage.

### BRITISH GUIANA COMMODITY CONTROL BOARD ESTABLISHED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, writes under date March 25, 1942, that British Guiana imports are now subject to control under the Commodity Control Board, the organization of which was announced in the British Guiana *Official Gazette* of March 20, 1942.

Subject to the approval of the Governor, the Board, which consists of five members, shall exercise the following functions:—

1. The control of supplies, including the restriction of imports and the distribution of goods and articles imported into the colony.
2. The control of maximum prices.
3. The control of bulk purchases on government account of essential commodities.
4. Any other functions which the Governor may from time to time direct.

### CONDITIONS IN ARGENTINA IN 1941

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

#### II

#### LIVE-STOCK INDUSTRY

The live-stock industry has been developed to a high degree of perfection in Argentina. The production of beef cattle is the basis of the industry, which is operated on a large scale by the big land-owners. This branch of the industry is based on exceptionally high-quality cattle of the beef breeds such as Short-horns, Herefords and Angus, developed through the regular importation over many years of the best pure-bred bulls from the United Kingdom, and to a lesser extent from the United States, and on low production costs due to the advantages arising from the availability of fertile grassland, the ease with which alfalfa is grown, and a mild and temperate climate. The industry has always catered primarily to the British market and since the outbreak of the present war has been largely dependent on the annual meat contracts with London. Argentine meats were admitted to the United Kingdom before the war on a quota basis and had been subjected to import duties for several years.

The Argentine live-stock industry is enjoying a period of prosperity. The current position has no parallel since the last war and the brief boom period in the early twenties. The gross income of the producers of export cattle is now approximately 17 per cent higher than it was immediately prior to the outbreak of the war, and prices of cattle for home consumption are also strong. The



value of Argentine exports of all animal products in 1941 was 30 per cent higher than during 1940 and 45 per cent above the value for the last full pre-war year. There was an increase in the volume of exports and also in the values of meats, by-products, wool and hide shipments in 1941.

The Argentine Government fixes the prices that the packers must pay producers for all cattle conforming to the established export grades, irrespective of the final destination of the carcasses or whether consumed at home or abroad. The live-cattle prices are fixed on the basis of the existing export contract prices with the United Kingdom and other markets and the prices ruling for by-products and sub-products. The packers must pay the fixed minimum prices but, if they have to pay higher prices temporarily in order to get supplies, the loss is for their account. The Argentine Government has discontinued subsidy payments to producers due to the improved local price situation. Pastures are in good condition.

Argentina has slaughtered approximately two million more head of cattle since the outbreak of the war than in the previous corresponding period. However live-cattle prices as fixed by the Government, based on the United Kingdom meat contracts, have not been at levels to encourage any important increase in the cattle population. On the contrary, in order to fulfil the last canned-meat contract in particular, the packers have had to buy some younger stock, and there was a sharp increase in female slaughterings during the last half of 1941. The breeders of stocker cattle for sale to the fatteners in the alfalfa zone have been making the profits so far. The fatteners have been squeezed by the high stocker prices on the one hand and the fixed prices for finished cattle on the other. Finished cattle are becoming less plentiful and, if the necessary cattle are to be drawn out to permit maintenance of the present rate of slaughterings and if the breeders are to be encouraged to make deliveries and at the same time to increase the cattle population, there may have to be further increases in live-cattle prices. However past experience in Argentina has shown that, when finished-cattle prices reach a certain high level, a new speculative element enters into the fattening situation. The speculators are outsiders—neither breeders nor land-owners—who bid up farm land rentals and start the cycle of inflation in the industry.

The improved export demand for live-stock products for export is reflected in the figures covering slaughterings by the large packing plants in Argentina during 1941. These large packing plants, such as Swift's, Armour's, Vestey's and Wilson's, cater to a limited extent to the domestic meat trade, but the major part of their slaughterings are for export.

#### LIVE-STOCK SLAUGHTERINGS

*Cattle.*—The packing houses in Argentina slaughtered 4,643,615 head of cattle during 1941 as compared with 4,069,710 head in 1940 and 4,424,172 head in 1939. The increase of 14 per cent in cattle slaughterings in 1941 as compared with 1940 is reflected in a corresponding 13.6 per cent increase in the volume of meat exports during 1941. Meat exports had fallen by 15.9 per cent in 1940 as against 1939, largely during the months following the occupation of France, and slaughterings showed a corresponding reduction in 1940.

Meat is now shipped de-boned, and the fresh meat is all frozen, irrespective of the quality. It may be noted that canned-meat shipments when converted to a fresh-meat basis now approximately equal the current volume of fresh-meat shipments.

The packing houses in Uruguay slaughtered 994,859 head of cattle in 1941 as compared with 941,940 head in 1940.

*Sheep.*—There were 5,889,135 head of sheep and lambs slaughtered by the packers in Argentina during 1941 as compared with 5,481,050 head during 1940 and 5,563,275 head in 1939. However, frozen mutton and lamb exports showed

a decrease of 23 per cent in volume last year as compared with 1940. The packers in Uruguay slaughtered only 699,224 head of sheep and lambs in 1941 as against 1,330,657 head in 1940.

*Hogs.*—There were 1,448,655 hogs slaughtered by the packers in Argentina during 1941 as compared with 934,176 in 1940. The frigoríficos, or large packing plants, slaughtered 72 per cent, and the municipal abattoir in Buenos Aires accounted for 28 per cent of the figure for 1941.

The frigoríficos purchased 85 per cent of their hogs direct from the producers in 1941. They purchased 846,865 hogs direct, 144,739 in the stockyards in Buenos Aires, and 5,757 elsewhere. They paid an aggregate amount of \$12,506,000 for their hog requirements in 1941 as compared with \$5,960,000 in 1940. The average price paid per head was the equivalent of \$12.60 in 1941 as against \$11.40 in 1940. The average price was \$12.59 per head for December, 1941.

Exports of pork and pork products from Argentina increased from 132,642 cwt. in 1940 to 925,770 cwt. in 1941, the United Kingdom being the buyer. Total exports in 1941 were distributed as follows: frozen pork, 681,362 cwt.; salt pork, 14,278 cwt.; pork products, 31,816 cwt.; salt pig-skins, 286 cwt.; pig bristles, 11,396 cwt.; and lard, 186,632 cwt. The increase in shipments of pork last year was due to a new contract with the United Kingdom on the basis of 800,000 cwt. of frozen pork annually from Argentina.

The frozen pork is shipped to the United Kingdom entirely in rolled boned sides and quarters, in some cases without the lard. The hog-corn ratio was 6.463 for December, 1941, as compared with 9.141 for December, 1940. Argentina has an enormous surplus of corn available for feed, which can be purchased at almost whatever price the feeder will pay above transportation costs. However, this corn surplus situation has existed since the outbreak of war. The trend in exports of pork will depend on future contracts that may be negotiated with the United Kingdom.

#### MEAT SHIPMENTS

The following comparative table shows the trends in meat exports from Argentina since 1938; all fresh meats are now shipped to the United Kingdom frozen, irrespective of grade or quality:—

#### Argentine Meat Exports

	1941	1940	1939	1938
Frozen beef—		Figures in 1,000	Pounds	
Chiller quality . . . . .	638,753	626,599	779,527	755,049
Fore quarters . . . . .	282,004	205,292	319,480	310,149
Hind quarters . . . . .	339,788	374,542	427,651	417,122
Pieces and cuts . . . . .	16,912	46,761	31,007	25,849
Middles . . . . .	49	4	1,389	1,929
Continental quality . . . . .	182,792	197,043	243,754	226,522
Tenderloin, frozen . . . . .	9,435			
Frozen mutton . . . . .	109,908	136,302	120,772	105,009
Lamb . . . . .	94,683	111,588	107,913	88,189
Mutton . . . . .	15,225	24,714	12,859	16,820
Frozen pork . . . . .	68,300	3,429	13,874	18,467
Salted meat . . . . .	5,468	5,149	13,365	15,217
Beef . . . . .	4,037	4,033	9,233	10,756
Pork . . . . .	1,431	1,116	4,132	4,461
Canned meats . . . . .	293,953	176,197	181,952	163,730
Tongues . . . . .	7,645	10,489	10,432	9,354
Frozen . . . . .	1,771	4,736	6,337	4,425
Preserved . . . . .	5,874	5,753	4,095	4,928
Offals . . . . .	58,699	61,414	67,151	64,463
Frozen poultry . . . . .	2,150	928	5,076	3,874
Extracts . . . . .	16,224	18,647	25,347	25,331
Concentrated juice . . . . .	1,674	1,155	1,797	1,248
Meat extract . . . . .	10,070	5,005	5,008	3,757
Meat meal . . . . .	4,480	12,487	18,542	20,326
Pork products . . . . .	3,188	1,993	10,266	16,917
Other meats . . . . .	11,195	2,467	4,231	5,329
Total meats . . . . .	1,407,710	1,240,659	1,475,747	1,409,262
\$1,000 Canadian . . . . .	127,949	101,741	109,381	105,154



Purchases of live stock by the packing plants in recent years are as follows:—

*Direct Purchases of Live Stock by Packing Plants*

	1937	1938	1939	1940
Cattle . . . . .No.	3,545,400	3,331,900	3,508,700	3,145,900
Average price . . . . .Cts. per lb.	3.6	3.5	3.6	3.9
Sheep . . . . .No.	5,578,900	6,198,400	5,744,400	5,896,400
Average price . . . . .(each) \$	3.01	2.49	2.85	3.33
Hogs . . . . .No.	1,050,900	694,500	497,700	528,600
Average price . . . . .Cts. per lb.	5.8	6.5	6.0	4.9

# DAIRY PRODUCTS

The dairy industry in Argentina is not as highly organized nor has it been developed to the same extent as in Canada, Australia or New Zealand. The supply of whole milk to the two main cities of Buenos Aires and Rosario is in part a specialized business, and there are a number of large dairy farms stocked with dairy breeds of cattle—mostly Holsteins—catering to this trade. However the branch of the dairy industry producing cheese and butter is subsidiary to the beef-producing industry except in one section of the province of Santa Fe. Certain zones tend to specialize in dairying, but the milch cows are generally of the beef breeds. It is operated on a share basis, the large breeder of beef cattle supplying the cows and the land to family groups who look after them and do the milking. The large land-owner frequently owns the cheese factory and takes care of the tenants and his share of the milk.

At present the position of the Argentine dairy industry is not favourable to producers. The problem arises from the shortage of shipping space to the United States. The United Kingdom has ceased buying dairy products in Argentina.

In 1941 Argentine exports of all dairy products were valued at \$22,000,000 as compared with \$9,000,000 in 1940 and only \$5,000,000 in 1938.

## BUTTER

Argentina produced 94,614,345 pounds of butter in 1941 as compared with 81,867,240 pounds in 1940 and a pre-war five-year average production of 68,006,610 pounds. Sales for home consumption were 55,076,490 pounds in 1941, and stocks were 14,634,585 pounds at the close of 1941 as compared with only 6,398,910 pounds at the end of 1940.

Argentina exported 31,626,315 pounds of butter in 1941 as compared with 28,257,075 pounds in 1940 and 19,747,980 pounds in 1939. The United Kingdom took 21,478,905 pounds, or two-thirds of the exports, in 1941. Shipments to the United States amounted to 5,966,730 pounds.

The heavy summer production of butter in Argentina is from October to May. Shipments to the United Kingdom stopped at the close of last season, or in May-June, 1941, and London is not buying Argentine butter this season. Local production is currently at record levels but there are no available export outlets now except the United States. It is almost impossible now to obtain shipping space for butter to the United States. In December local butterfat prices dropped suddenly to half the previous ruling prices. The outlook is not at all bright for local producers this season.

## CHEESE

The production of cheese in Argentina was 116,609,220 pounds in 1940 and there was an increase of 21 per cent in 1941. Exports totalled 26,508,510 pounds during 1941, of which 22,526,280 pounds or 83 per cent went to the United States. Only 1,671,390 pounds were shipped to the United Kingdom. Argentine exports of cheese to all countries were only 5,475,015 pounds in 1939 and 11,560,815



pounds in 1940. Consequently this country has found an important new war-time market for her cheese in the United States. The types of cheese exported to the United States are for the most part those formerly supplied by Continental Europe, such as Gruyere, Edam, Parmesano.

#### CASEIN

Argentina has always been an important producer of casein. Lactic casein has been the principal type, but there is an increasing, although still relatively small, production of rennet casein. Casein is produced at the milk-skimming plants, which supply the creameries with butterfat in Argentina. The whole milk is separated at these local skimming plants rather than on the dairy farms as in North America. In addition the ample sunshine throughout the year in Argentina assists in drying the lactic casein at a low cost.

The production of casein was 45,808,875 pounds in 1940, and there was a 21.2 per cent increase in 1941. Casein exports actually reached 72,738,540 pounds in 1941, of which 62 per cent went to the United States, 24 per cent to the United Kingdom and 7 per cent to Japan. Stocks of casein in the country were slightly over 8,820,000 pounds at the close of 1941 as compared with 23,807,385 pounds at the end of 1940. The United States was a heavy buyer of Argentine casein after March and prices at the end of the year were four times those prevailing during March. Casein exports were about one-third higher in 1941 than in 1940 and preceding years. Casein prices have fallen sharply in recent weeks, dealers having stopped buying on account of the temporary lack of shipping space for exports of this product to the United States.

Shipments of dairy products from Argentina in 1941 and in preceding years since 1938 were as follows:—

#### *Argentine Exports of Dairy Products*

	1941 Cwt.	1940 Cwt.	1939 Cwt.	1938 Cwt.
Cream . . . . .	1,830	132	88	264
Butter . . . . .	316,241	282,571	197,480	161,759
Cheese . . . . .	265,063	115,608	54,750	43,637
Casein . . . . .	727,385	440,118	453,436	294,412
Powdered milk . . . . .	5,976	2,558	1,698	1,610
Condensed and evaporated milk . . . . .	26,813	5,821	904	750
Other . . . . .	353	419	1,874	3,109
Total . . . . .	1,343,661	847,227	710,230	505,541
Total value (\$1,000) . . . . .	22,327	9,097	6,548	4,906

#### ANIMAL BY-PRODUCTS

Export volume for animal by-products has been well maintained, and the value of these exports increased by nearly 50 per cent from the pre-war level. The more important increases were in primer jus, non-edible beef tallow, glycerine, and pork lard.

Export figures of animal by-products for 1941 and preceding years since 1938 were as follows:—

#### *Argentine Exports of Animal By-products*

	1941 Cwt.	1940 Cwt.	1939 Cwt.	1938 Cwt.
Animal oils . . . . .	22,866	20,043	33,538	22,381
Stearine . . . . .	57,903	75,676	103,459	91,133
Glycerine . . . . .	82,423	70,825	49,679	44,342
Glands . . . . .	13,649	14,288	15,722	12,635
Frozen fats . . . . .	5,226	24,299	14,333	24,630
Primer jus . . . . .	564,612	353,704	387,440	248,085
Sheep fats . . . . .	.....	551	10,606	12,635

	1941 Cwt.	1940 Cwt.	1939 Cwt.	1938 Cwt.
Tallow, rendered—				
Beef, edible . . . . .	314,323	259,242	351,984	295,250
Beef, non-edible . . . . .	771,882	443,867	634,165	429,777
Sheep, edible . . . . .	1,301	2,646	9,371	12,877
Sheep, non-edible . . . . .	7,982	8,379	9,878	3,109
Pork lard . . . . .	186,786	59,292	85,863	83,239
Margarine . . . . .	64,651	65,466	24,321	25,247
Cattle horns . . . . .	1,080	6,350	19,294	24,564
Horse-hair—				
Tail, classified . . . . .	11,135	12,546	15,501	14,884
Other, classified . . . . .	37,066	30,936	34,707	27,673
Washed and combed . . . . .	17,000	6,086	3,043	1,499
Cattle hair . . . . .	8,688	11,135	10,121	9,945
Cracklings . . . . .	608,690	476,104	402,567	312,360
Glue stock . . . . .	57,859	37,816	22,712	37,331
Fertilizers . . . . .	536,543	346,604	368,852	507,282
Bones . . . . .	1,219,586	1,271,932	1,401,785	1,128,607
Pig bristles . . . . .	11,422	7,050	6,372	8,930
Hoofs . . . . .	20,132	52,523	52,766	53,758
Dried blood . . . . .	326,053	246,585	277,014	275,471
Tripe . . . . .	83,900	97,726	167,227	154,041
Other sub-products . . . . .	597,621	393,548	580,929	281,292
Total . . . . .	5,630,379	4,396,019	5,095,248	4,142,977
Total value (\$1,000) . . . .	16,945	12,941	14,703	12,210

## HIDES

At present the United States is the most important consumer of Argentine salt cattle hides. Canada is also a buyer, and the United Kingdom depends to some extent on this market for her requirements. Argentina has a larger export surplus of hides now, owing to the heavy slaughtering of cattle for export. Shipments of hides were 13.5 per cent greater in volume and 29.4 per cent higher in value last year than in 1940. The United States has placed a ceiling on hide prices and, owing to the continued demand from that country, these prices are being effective in Argentina.

The following comparative table shows the trends in volume shipments of hides from Argentina in recent years:—

*Argentine Exports of Hides*

	1941 Cwt.	1940 Cwt.	1939 Cwt.	1938 Cwt.
Cattle hides . . . . .	3,221,064	2,897,877	3,253,389	2,942,595
Salted . . . . .	3,037,410	2,678,435	2,957,037	2,613,168
Dried . . . . .	183,654	219,442	296,352	329,427
Sheepskins . . . . .	283,960	261,072	342,172	401,641
Dirty . . . . .	113,866	109,743	207,842	291,810
Lamb . . . . .	20,573	5,998	18,610	14,046
Young lamb . . . . .	3,131	2,028	2,822	3,153
Sheared . . . . .	146,390	143,303	112,896	92,632
Horse hides . . . . .	106,876	69,171	98,299	72,787
Salted . . . . .	67,098	45,291	49,304	18,500
Dried . . . . .	39,778	23,880	48,995	54,287
Goat skins . . . . .	50,340	34,927	51,332	49,502
Goat . . . . .	49,039	33,273	47,297	43,857
Kid . . . . .	1,301	1,654	4,035	5,645
Pig skins . . . . .	287	243	375	926
Tanned leather . . . . .	80,350	33,119	5,072	9,415
Total . . . . .	3,742,877	3,296,409	3,750,639	3,476,866
Total value (\$1,000) . . . .	48,903	37,793	37,725	33,529

Continental Europe purchased 60.8 per cent of all the Argentine hide exports before the outbreak of war, while 21.3 per cent went to the United States and 11.8 per cent to the United Kingdom. The loss of European markets has not adversely affected sales of this product.

## Wool

The Argentine wool-clip year ends on September 30. The 1940-41 clip was estimated at 3,748,500 cwt; the carry-over from the 1939-40 clip was 661,500 cwt. The latter figure approximates that for the normal annual domestic consumption of wool in Argentina. At September 30, 1941, the carry-over from the 1940-41 clip was small.

During the calendar year 1941, Argentina exported 3,720,607 cwt. of wool of all grades as compared with 2,989,319 cwt. in 1940. The United States took 2,457,730 cwt. during 1941 and accounted for 86 per cent of the aggregate shipments of greasy wool. The value of Argentine wool exports was \$79 million in 1941 as compared with \$64 million in 1940 and \$54 million in 1939.

The following table shows the exports of wool in 1941 as compared with previous years:—

*Argentine Exports of Wool*

	1941 Cwt.	1940 Cwt.	1939 Cwt.	1938 Cwt.
Greasy wool . . . . .	2,847,559	2,184,030	2,705,337	2,851,153
Fine . . . . .	227,953	199,641	226,233	292,295
Fine cross . . . . .	734,530	605,140	808,684	956,198
Medium cross . . . . .	215,362	257,742	321,467	259,617
Thick cross . . . . .	1,312,813	858,208	1,110,460	1,136,237
Warehouse . . . . .	140,767	95,477	119,401	123,524
Native . . . . .	216,134	167,823	119,092	83,283
Packing-house . . . . .	302,813	247,886	202,353	188,638
Washed . . . . .	566,112	557,402	385,236	309,119
Combed . . . . .	4,123	.....	.....	.....
Total . . . . .	3,720,607	2,989,319	3,292,926	3,348,910
Total value (\$1,000) . . . . .	79,237	64,567	53,887	50,786

Continental Europe purchased 50.2 per cent of the Argentine wool exports in the pre-war years, 25 per cent went to the United Kingdom, and 18 per cent to the United States. As in 1941, the last-mentioned country will be the principal purchaser in 1942. Argentine coarse wools are moving very slowly so far this season. Export shipments of greasy wool were down 40 per cent for the first four months of this wool season, to January 31, 1942, as compared with the corresponding period of 1940-41.

There has been a strong local demand for the available quantity of domestic fine wool, mainly from the home woollen textile industry. The domestic consumption of wool has been around 33,000 tons annually but, due to the decline in imports of woollen piece-goods and a new demand for piece-goods from neighbouring countries, it is estimated that home requirements may be more than double this figure in 1942. The current ceiling prices recently established by the United States Government for wools are lower than prices ruling in Argentina for fine and medium wools, but for coarse wools local prices are much lower. This arises from the lack of export demand for the coarse grades.

## EXPORTS FROM URUGUAY

Uruguay exported 1,326,222 cwt. of wool during the wool year ending September 30, 1941. This figure was only exceeded in the year 1929-30, when 1,379,676 cwt. were shipped, and in 1930-31 when the figure was 1,393,688 cwt. The United States took 1,093,150 cwt. or 82 per cent of the 1940-41 wool exports from Uruguay. Other purchasers were Sweden 70,587 cwt., Japan 68,800 cwt., Russia 50,908 cwt., Switzerland 15,586 cwt., Mexico 11,243 cwt., Finland 5,510 cwt., and Brazil 3,741 cwt. in 1940-41.

Uruguayan wool shipments to January 31, 1942, or for the first four months of the present wool year, were only 15,763 bales as compared with 62,126 bales for the corresponding period of 1940-41 and an average of 44,441 bales for the preceding five years. The United States is the principal buyer again this season.



## COTTON

Argentina produced 86,452 tons of cotton fibre and 174,954 tons of cotton seed in 1940. The production of cottonseed oil was 18,163 tons, and exports were 1,288 tons. In 1941 Argentine exports of cotton-seed oil increased to 7,745 tons.

Argentina exported 23,799 tons of cotton fibre in 1940 and 27,919 tons in 1941. The Spanish Government purchased 26,400 tons of cotton fibre in April, 1941, and Spain was the principal export outlet for this fibre in that year.

The 1940-41 Argentine cotton crop is estimated at 56,650 tons. The domestic textile industry consumed 42,220 tons of domestic-grown cotton fibre and 703 tons of linters in 1940. Home consumption of fibre to September 30, 1941, was 10 per cent higher than for the corresponding period of 1940. Consequently the export surplus of fibre is small at present. The cotton acreage in Argentina increased four-fold during the thirties, but the annual production figures have varied widely, due to varying weather conditions. The current acreage in cotton is the second highest on record for Argentina, and current crop prospects are good. The Argentine textile industry is working at full capacity, due to the increased home demand arising from reduced imports of piece-goods.

## NUT INDUSTRY OF THE UNITED STATES PACIFIC COAST

J. C. BRITTON, ACTING TRADE COMMISSIONER

Los Angeles, March 11, 1942.—The curtailment in the supply of imported nuts has brought about increased activity among growers on the Pacific Coast. More than one-third of all the tree nuts consumed in the United States are walnuts, of which California produces 85 per cent and Oregon 4 per cent, the balance being normally imported from China, France and Turkey. Almonds also are grown almost exclusively in California along with several other types, notably chestnuts, filberts and pecans, but the total volume is small. Oregon produces a few thousand tons of filberts yearly. The State of Washington also supplies a limited quantity of filberts and a small quantity of walnuts. In Arizona some paper-shelled pecans are grown, but as yet the figures have not been recorded. Texas has a small commercial production of peanuts and pecans, but both these nuts are produced by the Eastern and Southern States in much larger quantities.

Marketing of the Pacific Coast production of nuts has in past years been influenced by imports into the United States of Brazil, cashew and other edible nuts such as walnuts, almonds, filberts and peanuts. The curtailment of importations of foreign nuts should assist domestic growers to gain a stronger foothold on the local market. The demand generally reaches its peak during the winter holiday season, but already the year-round sale of nuts has improved, and the proportion of shelled nuts used has increased tremendously.

## WALNUTS

Production of walnuts in California for the 1941 season (ten-year average 1930-39 in parentheses) totalled 53,000 tons (43,000 tons) and in Oregon 6,300 tons (2,655 tons). United States imports of shelled walnuts from July 1, 1940, to June 30, 1941, amounted to 2,284 tons. Imports of unshelled walnuts are negligible.

The varieties grown on the Pacific Coast are Number 1 Soft Shell, Budded, Eureka, Franquettes, Mayettes and Paynes. At the present time there are 128,228 acres of walnut trees in California, of which 118,737 acres have reached commercial bearing age. Walnut acreages are found in nearly every county in

the state. Oregon had a bearing area in 1938 of 18,800 acres, 94 per cent of the trees being grown in the Willamette Valley.

Six years elapse after planting before the walnut tree comes into bearing and, although the tree does not reach full bearing until after sixteen years, it produces indefinitely from then on. Some walnut trees in California are still producing heavy crops at seventy years of age. A mature grove averages twenty trees per acre and produces about 1,200 pounds of merchantable walnuts yearly. Harvesting commences in early September and continues until late November.

The California Walnut Growers' Association, founded in 1912 with a membership to-day of approximately 8,000 growers, handles 85 per cent of the California crop and 78 per cent of the entire United States production. The Association is represented by food brokers in all the leading markets of the United States and also in several foreign countries. Three quality grades are packed by the Association: "Diamond", "Emerald" and "Suntand". Kernels of the "Diamond" brand are light and bright in colour, while the "Emerald" and "Suntand" brands have more amber colouring.

#### WALNUT CONTROL BOARD

The walnut industry has suffered from over-production since 1932, the domestic demand being exceeded by from 25 to 35 per cent. In order to stabilize the industry, a Federal Marketing Agreement was instituted in 1933 to limit the production of walnuts and to make provision for diversion of the surplus into non-competitive channels, namely shelling or export. The Walnut Control Board has administered and operated the agreement for the producing states of California, Oregon and Washington since 1933. Each season the Board estimates the probable production of walnuts and the probable domestic demand for unshelled walnuts, and on this basis recommendations are made by the Board to the Secretary of Agriculture of the percentage of production that may be sold unshelled to the trade, the remaining percentage or surplus being turned over to the Board for disposal for shelling or export at the best obtainable prices.

The object of the program is to avoid overburdening the market with unshelled walnuts, and greater returns are derived than would be possible if the entire crop were forced on the market irrespective of demand or the consumers' ability to purchase. Each contributor receives from the Board his share of the sales proceeds, which have averaged a net return of 60 per cent of the current price for unshelled nuts over the past six years. In addition the Federal Government, in order to encourage diversion of the surplus, makes so-called export and diversion payments to the Board for redistribution to the growers concerned of the difference between the returns obtained from the surplus and the current domestic price. This subsidy averages about 5 cents per pound, the funds for payment being derived from customs revenue collected on imported walnuts. The surplus handled by the Walnut Control Board amounted to 35 per cent of the total crop in 1939, and 15 per cent in 1940; a surplus of 35 per cent is estimated from the 1941 crop.

#### EXTERNAL COMPETITION

The demand for locally grown walnuts in the United States is influenced by the price and quantity of other nuts on the market, both domestic and imported, particularly during the holiday periods. Brazil nuts, exports of which to the United Kingdom market have been curtailed by the war, are now crowding the United States market at low prices. Also mixed nuts are being combined with low-priced Brazils and are displacing walnuts. An ever-widening demand in 1940 for shelled walnuts, especially by the grocery trade, has undoubtedly affected the sale of unshelled walnuts. However, the consumption of walnuts generally is steadily increasing in the United States. The Department of



Agriculture records an average value of approximately \$10,000,000 annually for the California walnut crop. The average value per ton of the 1941 California crop amounted to \$253 as compared with \$250 in 1940, and \$165 in 1939. Efforts are being made to extend the consumption of walnuts through the late winter and spring months, and more and more they are becoming an important cooking ingredient in all seasons.

#### EXPORTS

Exports of walnuts from the Pacific Coast totalled 3,498 tons in 1939 as against 5,896 tons in 1938. Total exports from the United States amounted to 4,073 tons in 1939 and 6,414 tons in 1938.

#### SHELLED WALNUTS

The percentage of the walnut crop that is shelled varies from year to year, as most of the shelled walnuts are produced from culls. In the past few years, when production has exceeded consumption, about 25 to 30 per cent of the crop has been devoted to shelling. In pre-war years approximately half the annual surplus was exported and half shelled for the home market, but now that the export market has been seriously restricted by wartime conditions, it is probable that almost the entire 1941 crop surplus will have to be shelled, which will result in an excess supply of shelled walnuts on the domestic market ranging from 25 to 35 per cent.

Walnuts are cracked by machine, the kernels being separated from the shells and graded by hand, and then cleaned by machine. The yield varies with the quantity of nuts shelled; culls yield an average of 25 per cent of their own weight and merchantable walnuts from 40 to 50 per cent. Shelled walnuts are graded into halves, pieces, and halves and pieces mixed, and further into light and light amber colours. A third grade of dark amber, sold with halves and pieces mixed, is used almost entirely by the manufacturing trade. The small bits of kernels left after grading are pressed to obtain their oil, which is used principally for high-grade paints, and the resulting press-cake is suitable for stockfeed. Machinery has recently been developed which enables the shells themselves to be ground to an astonishing fineness, making them suitable for many products, but their widest use at present is in hard rubber and various plastic products.

Market prices of shelled walnuts are relatively low, averaging 33 to 35 cents per pound, f.o.b. Los Angeles, which is only 60 to 65 per cent of the parity price established by the Federal Government as a fair and proper return to the growers.

Walnut kernels have exceptionally high caloric value, one pound of walnuts containing about 3,210 calories. They are high in vegetable oils and mineral content, and also are an excellent source of vitamins A and B1. Furthermore, they can be shipped compactly in standard containers—a 25-pound fibreboard carton with a capacity of slightly less than one cubic foot—and present no storage difficulties, although they should be stored where it is cool and dry and cold-stored in summer temperatures.

These advantages peculiar to walnuts were contributing factors in the United States Government's decision to ship shelled walnuts from California to Great Britain under the Lend-Lease program.

Consumption of shelled walnuts in the United States has varied recently from about 10 to 20 million pounds a year, of which about 75 per cent have been produced locally. China supplied half the remaining consumption, and France, Turkey and Italy the remainder, but the war has now virtually eliminated these sources. The trend of domestic consumption has been continuously upward. Sales of shelled walnuts by the Walnut Growers' Association alone reached 9,500,000 pounds in 1940, whereas only a few years ago an annual production



and sale of 2,000,000 or 3,000,000 pounds was considered large. The Association, however, has been concentrating on the sale of unshelled walnuts, as shelled walnuts have been returning little more than 60 per cent of their unshelled sales value, but with the loss of foreign markets and production on the Pacific Coast increasing each year, the prospects are that there will be an increased output of shelled walnuts. Consequently, there is every probability that in the near future more importance will be attached to that part of the grower's crop which is shelled.

#### ALMONDS

Attempts to grow almonds in the United States were first made in the New England States as far back as 1840. In California some plantings were made even before the gold rush. The industry finally survived in California through the selection of seedlings that proved adaptable to the soils and climate. Six varieties have proven commercially successful, and these now comprise 90 per cent of the state's total production: Nonpareil, IXL, Ne Plus Ultra, Drake, Texas and Peerless. California varieties are all sweet, with varying degrees of hardness of shell.

The largest acreages planted to almonds lie in the Sacramento and San Joaquin valleys of California. Other important producing areas in the state are Banning, Riverside, Monterey, Contra Costa and San Luis Obispo counties. Recent official estimates show an acreage of 94,269 in the state, of which 75,167 acres are in bearing. Almond trees come into bearing six to eight years after planting and reach maturity at twelve or fifteen years of age.

In 1940 the production of almonds in California amounted to 10,200 tons, the average over the past ten years being 13,720 tons. The 1941 crop was the smallest on record, totalling only 6,000 tons, due principally to heavy rains when the trees were in bloom. Harvesting commences early in July and extends through September and sometimes into October. The value of the 1941 crop was estimated at \$662 per ton, whereas the 1940 crop averaged only \$324 per ton.

The California Almond Growers Exchange, a co-operative association formed in 1910, consists of member growers who deal direct with the Exchange itself. The Exchange has contributed largely to the growth and survival of the almond industry, and non-members, as well as members, have benefited from its activities. Membership in the Exchange varies from year to year and has represented as high as 75 per cent of the growers in the state, but at present the membership comprises about 45 per cent of the growers. As a result of the efforts of the Exchange, the almond market has been stabilized, merchandising methods modernized, standardization and grading introduced, acreages increased, and higher tariffs levied on foreign varieties. To-day, almonds are one of California's leading specialty crops. The "Blue Diamond" of the California Almond Growers Exchange is a familiar and recognized brand throughout the United States. In fact the California almond is considered comparable to, if not better than, those of foreign origin.

Growers deliver their almonds to a packing plant after they have been hulled, which is generally done by machine, and there they are tested, sampled, graded and otherwise prepared for shipment to the wholesale or manufacturing trade in either the shelled or unshelled form. All almonds sold in the shell are bleached to give them an attractive appearance. About 50 per cent of the almonds are sold in the shelled form.

Members of the Almond Growers Exchange send their almonds to a plant of the Exchange, where they are mechanically sorted into the following grades for selling in the shell: "Select" (large), "Blue Diamond" (medium), and "Golden State" (small). A fourth grade, "Sierra", is suitable only for shelling. The returns received by the grower vary according to the percentages of the grades in each delivery.

The shelled almonds are graded into twenty-four different sizes by specially designed machines. Further sorting is done by hand to remove almonds not up to standard in appearance and quality. Manufacturing confectioners also take the precaution of removing foreign matter with the aid of magnifying glasses, and in processing operations the almonds are passed under magnets to remove undetected particles of nails or other metal.

In order to protect kernels from infestation after the weighing process, the Exchange has perfected a method of sterilization called "Vacafume", by which the meats are subjected to treatment under gas in vacuum tanks. This process is stated to be effective in destroying insect life, and no trace of the gas remains on the kernels. The nuts are then packed immediately.

Some of the more important forms in which almonds are prepared and used are: blanched and salted; roasted; toasted; almond paste; almond powder; almond butter; almond confection; sugared almonds; almond oil; and in cosmetic and pharmaceutical preparations.

The average annual value of the industry in California on the basis of the ten-year period 1926 to 1935, is \$2,952,400. The value per ton during the same period averaged \$255, the yield per acre being around 346 pounds.

California almond prices are dependent on world crop and market conditions. Germany has been the world's largest consumer of almonds, followed by the United Kingdom and then the United States. Consequently in past years the price of almonds in California and elsewhere has been influenced by the quantity produced in Mediterranean countries and the demand from Germany. Also the fluctuation of foreign exchange was a deciding factor, as in 1936 when the Italian lira was devalued 40 per cent, almonds from Italy flooded the American market for a time and demoralized prices.

Imports of shelled almonds into the United States in 1939 totalled 767 tons valued at \$412,588; imports of unshelled totalled only about one and a half tons valued at \$538. In 1938 the imports of shelled almonds were 819 tons valued at \$518,214.

Exports of domestically produced almonds were very small.

### FILBERTS

Prior to 1928 nearly all the shelled and unshelled filberts consumed in the United States were imported from the Mediterranean basin, but by 1936 about half the unshelled filberts consumed were supplied by domestic producers. Ninety-eight per cent of all the filbert trees in the United States are grown in the States of Oregon and Washington. In 1941 the production of filberts in the State of Oregon totalled 3,870 tons, and in the State of Washington 720 tons. The 1940 figures for Oregon were 2,700 tons and for the State of Washington 510 tons. Production of filberts in Oregon is centred in the Willamette Valley, where there are large acreages of first-class filbert land.

Shelled filberts in recent years have been imported mainly from Turkey, and in 1939 United States imports totalled 1,047 tons valued at \$391,718; in 1938 they amounted to 970 tons valued at \$335,504. Unshelled filberts have been supplied by Italy, the 1939 imports totalling 767 tons valued at \$133,789, an increase of 559 tons over the 1938 figure.

## CONTROL OF EXPORTS FROM CANADA

### ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 2314, and Export Permit Branch Order No. 27, both effective March 26, 1942, the exportation from Canada to countries other than those within the British Empire of beef and veal, dressed, and other edible beef and veal products, is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa. These items are included in Group 2: Animals and Animal Products.



## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### IMPORT RESTRICTIONS ON NEWSPRINT

With reference to the notice published in *Commercial Intelligence Journal* No. 1972 (November 15, 1941), page 592, the Canadian Trade Commissioner in Sydney cables that, effective April 1, 1942, the issue of licences to import newsprint paper into Australia from non-sterling sources, which include Canada, will be discontinued.

#### TARIFF DECISIONS

Australian customs decisions recently published, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Gas carbon black for use in the manufacture of rods and blocks of carbon, or of brushes and moulded articles of carbon for electrical purposes, are admissible by by-law under tariff item 404A (free of duty under all tariffs), as from September 16, 1941, provided that a declaration by the overseas manufacturer is furnished with each importation that the black is gas carbon black. The same concession is made for gas carbon black for use in the manufacture of electrical storage batteries, as from June 30, 1941.

Separator stock (veneer) made from Port Orford cedar, 14½ inches and over in length and not exceeding 6¾ inches in width, being thin pieces of timber produced by cutting with a knife or saw from the log and not further treated, for use in the manufacture of separators for traction batteries, is admissible by by-law under item 404 (free of duty under the British preferential tariff, applicable to Canada, and 15 per cent ad valorem under the general tariff, applicable to all non-British countries), as from September 12, 1941.

A decision operative as from September 15, 1941, makes sprocket wheels, and gear wheels, when imported separately, dutiable under the tariff item applicable to the highest rated machine with which they are commercially usable.

### Union of South Africa

#### IMPORT PERMITS REQUIRE RENEWAL AFTER SIX MONTHS

With reference to an import licensing system adopted in the Union of South Africa as from September 15, 1941 (see *Commercial Intelligence Journal* Nos. 1964 and 1965: September 20 and 27, 1941), under which all goods allowed to be imported require licence from the Controller of Imports, Pretoria, the period of validity of licences granted is the subject of a notification received from the Secretary for Commerce and Industries, Pretoria, at the office of the Accredited Representative of the Union of South Africa in Ottawa. The notification states that import permits issued to importers in South Africa expire after six months, if the orders are not shipped within that time, and that applications must be made to the Department of Commerce and Industries for renewal of the permits.

### United States

#### SUSPENSION OF DUTY ON SCRAP IRON AND STEEL, AND NON-FERROUS METAL SCRAP

An Act of Congress, approved March 13, 1942, provides that no duties or import taxes shall be levied under the Tariff Act of 1930, as amended, or under the Internal Revenue Code with respect to scrap iron, scrap steel, relaying and rerolling rails, or non-ferrous metal scrap entered for consumption or withdrawn from warehouse for consumption during the period beginning March 14, 1942, and ending with the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

A report from the Committee on Ways and Means to the House of Representatives stated that the purpose of the legislation is to make it possible for the producers of the materials that the United States needs for its defence program to obtain scrap raw materials outside the United States and import the same without payment of duty. The principal tariff provisions under which scrap metals have been entered, with former import duties are as follows:



Par. No.	Rate of Duty
301 Scrap iron and steel . . . . .	75 cts. per ton
(plus additional duties on vanadium, tungsten, molybdenum and chromium content).	
316 Scrap iron and steel containing more than 50 per cent of tungsten, tungsten carbide, molybdenum or molybdenum carbide. . . . .	50% ad val.
322 Railway fishplates, or splice bars and tie plates made of iron or steel . . . . .	$\frac{1}{4}$ ct. per lb.
322 Rail braces, and all other railway bars made of iron or steel, and railway bars made in part of steel, T rails, and punched iron or steel flat rails . . . . .	$\frac{1}{4}$ ct. per lb.
374 Aluminium scrap . . . . .	3 cts. per lb.
375 Metallic magnesium scrap . . . . .	40 cts. per lb.
392 Lead scrap . . . . .	2 $\frac{1}{2}$ cts. per lb. on lead content
394 Zinc scrap . . . . .	1 $\frac{1}{2}$ ct. per lb.
1634 Brass or Dutch metal scrap . . . . .	4 cts. per lb.
	Internal Revenue tax.
1658 Copper scrap . . . . .	4 cts. per lb.
	Internal Revenue tax.
1744 Platinum scrap . . . . .	Free
1786 Tin scrap . . . . .	Free

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 30, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 30, 1942, and for the week ending Monday, March 23, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 23	Nominal Quotations in Montreal Week ending March 30	Official Bank Rate
Great Britain. . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States. . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2284	.2284	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies. . . . .	Dollar	1.0138	.9313	.9313	—
Argentina. . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3 $\frac{1}{2}$
		Free	.2631	.2631	—
Brazil. . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0573	.0573	3-4 $\frac{1}{2}$
		Export	.0444	.0444	—
Colombia. . . . .	Peso	.9733	.6328	.6328	4
Uruguay. . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5852	.5852	—
South Africa. . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India. . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	2
		Offer	3.5940	3.5940	—

PARCEL POST SHIPMENTS TO ECUADOR

Mr. Henri Comte, Consul of Ecuador in Montreal, writes that he has received advice from the Director General of Commerce in Quito, Ecuador, that merchandise imported into Ecuador by parcel post, the value of which does not exceed \$40, does not require to be accompanied by a consular invoice. When the value of the shipment exceeds this amount, a consular invoice must be supplied if there is a Consul of Ecuador at the point of shipment. If there is no Consul there, the consular invoice is replaced by the postal customs declaration, which does not require consular legalization. To obtain the benefit of the rebates in duty provided for in the tariff of Ecuador and in commercial agreements concluded with Ecuador, it is necessary that all imports, irrespective of value, be accompanied by a certificate of origin.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Toronto, Ont.	St. Mary's, Ont.
Halifax, N.S.	Chatham, Ont.	Portage la Prairie, Man.
Truro, N.S.	Guelph, Ont.	St. Boniface, Man.
Windsor, N.S.	Kitchener, Ont.	Winnipeg, Man.
New Glasgow, N.S.	Brantford, Ont.	Vancouver, B.C.
Quebec, P.Q.	Stratford, Ont.	New Westminster, B.C.
Montreal, P.Q.	Woodstock, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Sarnia, Ont.
Kingston, Ont.	London, Ont.	Victoria, B.C.
Oshawa, Ont.	St. Catharines, Ont.	Prince Rupert, B.C.
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Edmonton, Alta.	Vancouver, B.C.
Montreal, P.Q.	Winnipeg, Man.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Plastic Combs.....	3818	San Salvador, El Salvador.	Agency.
Dolls.....	3820	San Salvador, El Salvador.	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* J. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* J. C. BRITTON, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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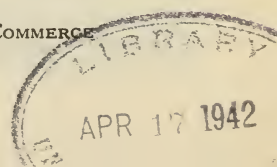
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## UNITED KINGDOM SHIPPING CONDITIONS

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, March 4, 1942.—The fact that shipping is one of the bottle-necks limiting international trade lends particular importance to the survey of the United Kingdom situation which is published in the recently issued Annual Report of the Chamber of Shipping.

Virtually all British vessels are employed by the Government, while the responsibility of ownership and management rests with the industry, which has been closely co-ordinated in the effort to provide the most effective and economic utilization of the tonnage available.

With regard to losses of British, Allied and neutral merchant shipping, the average monthly sinkings for the last six months of 1941 are estimated at about 180,000 gross tons, or a total of rather more than a million tons. Adding these to the published figures of sinkings up to the end of June, 1941, it may be deduced that the total sinkings from the outbreak of war to the end of 1941 were about 8.3 million tons. On the other hand it is probable that enemy losses of shipping for the same period have totalled not less than 5 to 6 million tons. The total world loss of sea-going merchant shipping due to the war may therefore be put at 13 to 14 million tons out of a pre-war total of 63 million tons. This is offset by the partial replacement of tonnage by building in the British Empire, in neutral countries, and no doubt to some extent in enemy countries, and to the huge building program of the United States, which has provided about a million dead-weight tons in 1941 and will provide about 18 million dead-weight tons of new shipping over the next two years.

Building and replacement is, however, only part of the picture. On the debit side there is the longer haul imposed by the loss of safe passage through the Mediterranean. This has been estimated as a 30 per cent loss of efficiency to British Empire sea communications. A number of ships also, while they escaped sinking, have been damaged, but it is known that during 1941 the delay to shipping imposed by the need of repair has been minimized. Assistance given by United States repair yards has been appreciable.

The handling of ships and cargo in the ports has been another important factor. During 1940 there had been considerable congestion, particularly on the west coast. By the end of 1941, however, the time for the turn round of ships in port had been reduced considerably.

### ECONOMIC POSITION OF BRITISH SHIPPING

The Report of the Chamber of Shipping states that at the beginning of 1941 an open freight market existed for neutrals only and, as the war spread among them, the market dwindled until by the end of the year it had almost ceased to exist. From the meagre information available it appears, as was to be expected, that "free" freights in 1941 were higher than in 1940 and sometimes much higher; but there were not enough quotations on normal peacetime routes to make it possible to continue for 1941 the Chamber's usual index of tramp shipping freights.

Time charter rates (available only to foreign vessels) averaged about 21s. 6d. for 1940. A certain number of fixtures were made in the first quarter of 1941, but they dwindled as one neutral after another was overrun or joined in the conflict. The British Government, the United States Maritime Commission and allied authorities used their powers of issuing licences or warrants to keep the rates down as much as possible, but the 1941 rates nevertheless showed a substantial increase over those in effect in 1940.



Although running costs continued to rise during 1941, sufficient information is not available to compute the amount of the increase. With regard to shipbuilding costs, the Admiralty have indicated that up to the first quarter of 1941 the cost of a new ship delivered has been only 16 per cent above 1939 costs. The Select Committee on National Expenditure, reporting in August, 1941, stated that there were wide differences of view as to the present increased cost of ships as compared with pre-war cost, and that the evidence offered them ranged from an increase of 16 per cent to one of 60 per cent. In view of this discrepancy the question is being further explored, and sample costing experiments have been promised by the authorities.

#### TERMS OF REQUISITION

While the Chamber consider that the rates of hire of vessels arranged with the Government represented a fair bargain at the time the agreement was concluded, they point out that the rates make no provision for reserves to meet the high cost of replacement, nor do they provide any margin for contingencies. Moreover, running costs have increased progressively as time passed, so that it is only natural that the rates for most classes of tonnage are to-day inadequate.

During the year negotiations have been conducted in regard to the adjustment of rates of hire for practically all classes of ocean-going and coastwise ships and for the agreement for the first time on rates for certain classes of small ships and of whalers. The text of these agreements is included in the Report of the Chamber of Shipping.

#### SHIPPING POLICY

The Chamber declare that in the field of policy its primary objective is the maintenance of private enterprise as the first essential to a prosperous and efficient mercantile marine during or after the war. They state that the successful operation of British shipping in the national interest and its efficient service in time of war, of which the past year has given further evidence, is based on the fact that the Government has been willing to leave the management of the ships to their owners and has not attempted to impose a system of state control in the details of this highly complicated and expert task. State control has, in fact, been limited to the direction of ships to carry the cargoes most needed on any route at a given moment and to regulating the general conditions under which they shall be carried. The smoothness and efficiency with which the entire mercantile marine is thus being operated as a single fleet is the result of willing co-operation between the individual ship-owner or manager and the directing departments of the Ministry of War Transport. Such a system, however, depends for its success upon the total absence of foreign competition and the removal of the hard commercial necessity for doing more than make both ends meet.

In April, 1941, the Government offered a scheme for the ultimate disposal of government-built tonnage to ship-owners. The negotiation of the terms of this scheme has formed one of the main tasks of the Chamber during the year. The actual transfer of government-built vessels to private ownership is, however, deferred until after the war. In the meantime the Government propose to enter into contracts with ship-owners for the sale of such vessels with deferred delivery, the intending owners being given the management. Under the scheme vessels will be allotted in chronological order of losses by war or marine risks and on a rota the principles of which are now being settled with the Ministry of War Transport.

Concerning shipbuilding grants, the Chamber, having approached the Ministry with a view to payment of the second instalment of the grant due

on January 1, 1942, the Ministry asked for a re-statement of the case necessitated in their view by the following: (a) the investigation which was being made of the accounts of tramp owners; and (b) the discussions which had been proceeding in regard to amended hire rates for new tonnage.

The Chamber forwarded, as requested, a full re-statement of the case, emphasizing that the offer of the grants and the placing of orders by ship-owners in reliance thereon constituted a bargain between the Government and the industry, and showing that, in relation to the prescribed datum line based on the freight level, the continuance of the grant was more than justified, and that the two points mentioned by the Ministry were therefore not relevant. The Chamber accordingly urged that the second instalment should be paid on January 1, 1942, and that the position as regards payment of subsequent instalments should again be reviewed towards the end of each year up to 1944. The matter is still under consideration.

#### DESIGN AND SPEED OF SHIPS

During the year the Select Committee on National Expenditure has recommended an inquiry into the design and speed of ships, but the Admiralty has since stated that inter-departmental consultations on these matters are "in progress as a continuing process." In the face of a shortage of tonnage and of great pressure on the shipyards in the early part of the war, it was comprehensible that output should be concentrated mainly on standard ships of moderate tonnage and speed, simply on the grounds that they could be produced more quickly.

As these vessels became more plentiful, the Government were able to turn their attention to an increase in the number of fast vessels of the cargo liner type, which naturally take somewhat longer to build, and now a considerable number of faster vessels of from 13 to 16 knots are building both for private and government account.

#### REPLACEMENT

The problem of replacement looms ever larger as the war proceeds. In its last report the Chamber recalled the Government's assurance in their White Paper of August, 1940, that they recognized "the necessity of maintaining the British Mercantile Marine *in adequate strength* and in a position of *full competitive efficiency*." But in the same document the Government admitted that the War Risk Insurance Scheme "*cannot, by its very nature, guarantee that funds will be available to the extent necessary* to enable owners to replace after the war even those vessels which are lost through war risks, and it does not deal with the need of replacement which may arise from other causes." For that reason the Government has said that it will be necessary "to ask Parliament to deal with this question in due course." There is, however, no guarantee that Parliament will be able to deal with it effectively at the end of the war. With an impoverished exchequer and pressing demands for reconstruction in many directions, money may not be available with which to meet the huge extra cost of replacement, unless it has been accumulated gradually over a period. The Government has, therefore, again been urged by the industry to find some means of setting aside during the war the money required for the rehabilitation of British shipping after the war.

#### FUTURE OF BRITISH SHIPPING IN THE POST-WAR PERIOD

The Chamber have commenced a study of the conditions governing British shipping after the war. In this connection, among other things, they favour the de-requisitioning of all tonnage not later than six months after the cessation of hostilities, the delegation to the shipping industry of any measure of regulation that may be required during the period of reconstruction and the handing back to British lines of British liner trades now "lease-lent" to American shipping.



With regard to the future, the chamber refer to the agreement between the allied governments resident in London with the prospect of active support by the United States administration, under which the cease-fire will mark the setting into operation of large-scale pre-arranged plans for the revictualling of war-devastated countries and people. These operations, wherein shipping will play an important part, will probably entail a form of state-directed trading, with similar direction of much of the surviving world tonnage, for a period certainly much longer than six months from the cessation of hostilities. The recent announcement that an inter-allied body for transport co-ordination is being set up in the United States, as a result of the recent Washington talks, will no doubt facilitate the task of government direction both during and after the war.

## EXPANDING LUMBER OUTPUT IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, February 9, 1942.—Under normal conditions South Africa was an importer of large quantities of lumber. In 1939 this included 1,043,746 cubic feet of teak, 1,293,390 cubic feet of pitch pine, 5,151,312 cubic feet of Douglas fir, and 11,071,135 cubic feet of pine and other coniferous softwoods. While imports still continue, the shipping stringency has made the Union more dependent on its own limited forest resources. These consist of a few forests of indigenous species and other areas which have been afforested under government and, to a lesser extent, under private auspices. In 1937 the latter areas totalled a little less than 2,000 square miles.

### PRODUCTION

According to a report recently issued by the Division of Forestry of the Department of Agriculture, the annual output of the government plantations that existed twenty years ago was only about 700,000 cubic feet, and very little of this was softwood. During the year immediately preceding the outbreak of war the output had risen to 8,990,000 cubic feet, including 2,328,500 cubic feet of softwood sawlogs. For the year ending March 31, 1941, the plantations yielded 13,513,000 cubic feet, of which 6,785,000 cubic feet consisted of softwood sawlogs, at present urgently in demand. The report goes on to state that the cut of softwood, which is now rapidly being increased, had hardly encroached on the capital stock of the plantations and that the latter constitute a valuable reserve which, if need be, can be drawn on during the present emergency.

The limitation at present is, therefore, not in the supply of logs but in the machinery available for converting them. Efforts are being made to overcome this limitation of output as far as possible. During the past year, despite the difficulty of importing machinery, several new sawmills came into operation, and arrangements for erecting others are in hand.

Besides increasing output from state plantations, efforts are being made to stimulate production by private enterprise. This is being done by arranging long-term contracts at some of the larger centres, so that purchasers of logs will be in a position to enlarge or improve their plants to take care of the full output of the plantations, not only that immediately available but also the increased yield expected later. As an emergency measure also, to ensure that timber immediately available is utilized to the fullest extent possible, short-term contracts are arranged for small plantations which cannot support a sawmill permanently or, at larger centres, for the disposal of surplus timber which the permanent plants, state or private, cannot currently utilize on account of the lack of machinery.



During the past year the state mills worked at full capacity on defence requirements. Private mills, which before the war would have concentrated mainly on the production of boxes for packing agricultural products, found it more profitable to produce building timber and boxes for industrial use, with the result that purchasers of the former type of box could not obtain supplies. The Department of Forestry met the situation in the Transvaal by putting at the disposal of farmers or sawyers willing to cater for their needs, at favourable rates, the small and crooked logs not normally regarded as saw timber but under present conditions economically convertible into box shooks.

The wartime demand for timber has hastened the absorption into the ordinary trade of timber grown and manufactured in South Africa, and it is stated that there is no evidence that this process has been hampered by any inferiority which at one time was supposed to characterize the local product. This supports the contention of the Department that, provided locally grown softwood timber is properly seasoned and handled, it can compete on at least equal terms with the product hitherto imported. There is, therefore, no reason why it should not be accepted on the market together with the imported product on the return of normal peacetime conditions.

### PRICES

The price of timber from state plantations rose with the market price of the imported product, but not to the same extent. In other words, the Department of Forestry did not take advantage of the shortage of timber to increase its prices unduly. Nevertheless complaints were received from those who could not understand why the price of local timber should be increased. The reason given for this increase is that locally produced timber can meet only a fraction of the country's requirements, and that fraction is far too small to appreciably influence the market price, which is therefore determined by the landed cost of imported timber. Even assuming that the advantage of a low price for the local product can be passed on to the consumer, only a small number of consumers can benefit. In other words, a price for local timber that is lower than that of the imported product, which the vast majority of consumers must buy, would amount to a hidden subsidy indiscriminately and quite unjustifiably granted to the few who, fortuitously, are in a position to obtain the local product. Moreover, local timber is now finding its way to the market through the ordinary trade channels and is handled and distributed together with imported timber. There can be no discrimination in the price to the consumer that can be enforced, so that only the sawyer and the distributor of the finished products could benefit from a low price for locally grown sawlogs. It is stated, therefore, that the only satisfactory method of securing an equitable distribution of the benefits to be derived from state-owned timber destined for the open market is to sell it at the best price obtainable, so that the proceeds will go to the general public where they belong.

The state plantations, being still comparatively young, cannot as yet yield the proportion of the larger-sized timber to which the market is accustomed. This justifies a price for local timber somewhat lower than that of imported stocks, in which the larger dimensions are better represented, otherwise there is no justification for neglecting the trend in market values when fixing the price of state-owned timber.

### DEMAND STIMULATES PRODUCTION

The demand for timber has also enabled private growers to dispose of their coniferous trees at good prices and has focussed attention on the prospects of the production of softwoods being undertaken by private enterprise to a greater

extent than hitherto. There is no doubt that the future trend of private afforestation will be in the direction of growing softwoods for the general market rather than hardwoods for the mines.

Projects for the establishment of pulp factories, referred to in previous reports of the Forestry Department, had to be abandoned, for the time being at least, owing to the difficulties of financing them and obtaining the necessary equipment under wartime conditions. Interest in the development of uses for South African grown timber in other directions is, however, being maintained. In the state plantations in the Tzitzikama area a contract is in operation whereby the possibilities of resin tapping and wood distillation are being tested, while investigations of considerable importance to the private grower into the prospects of manufacturing plywood from eucalyptus are in progress on behalf of the Industrial Corporation.

While revenue from the plantation has expanded rapidly, that from the indigenous forests is declining owing to a reduction in the amount of timber offered for sale. A decreasing output of the indigenous forests is to be regarded with satisfaction in view of the systematic over-exploitation to which they have been subjected in the past.

Although indigenous trees are of secondary importance, from a commercial point of view, the number of species in South Africa runs into several hundred. They vary from very light and easily worked woods to others that are exceptionally hard and heavy. With the exception of yellow woods, however, the quantity of indigenous timber of suitable size is comparatively small. The quality of many of these is so high, however, that with the increased cost of imported woods, they are being utilized to a greater extent, and the demand is in excess of the supply. In addition to the yellow woods there are numerous government and private plantations of exotic broad-leaved and coniferous trees that provide timbers with physical and mechanical properties which vary widely. Most of these are still not sufficiently grown for commercial purposes; they are, however, rapidly increasing in importance.

The principal varieties of trees grown on the plantations are conifers, eucalpti and wattles. The softwood sawlogs are made up of fast-growing coarse textured pines, the leading types of which are *Pinus insignis* and *Pinus patula*.

## BUSINESS CONDITIONS IN INDIA IN 1941

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, February 4, 1942.—India experienced an unusually prosperous year during 1941. Having been thrown on her own resources to a not inconsiderable extent and called on at the same time to play a large part in the war, she has responded promptly and on a scale which has far exceeded most expectations. Contracts for the supply of many essential materials to Empire countries have reached large values, while foreign trade to accessible markets has in general been well maintained. Various industries and trades have been subject to severe fluctuations in fortune, resulting from the abnormal relationship between supply and demand, the erratic trend in military operations in adjacent theatres of war, and government control of trade and exchange. The consensus of opinion throughout the business community, however, is that the net result of the business year has been extremely good.

### AGRICULTURE

Agriculture has experienced a reasonably good year. The loss of some export markets for money crops, such as groundnuts and seeds, has caused considerable concern, while jute-growers have been seriously affected by the Bengal Govern-



ment's policy to restrict output. In general, however, prices have been much higher than usual and, with the progressive adaption of production and distribution to wartime conditions, the situation can be said to warrant reasonable satisfaction.

From the most recent crop forecasts by the Indian Government it appears that the jute crop will amount to some 5,423,000 bales as against 13,186,000 bales in the previous year. Raw cotton production is expected to be slightly less than the 1940-41 total of 5,785,000 bales. The first forecast of the wheat crop indicates a slight reduction in acreage and the probability of a somewhat smaller outturn than in 1940-41. Decreased production is likely to be recorded as well for the sugar-cane and groundnut crops, the areas devoted to them having been considerably less than during 1940-41. A slight decrease may also be shown in the linseed production. Sesamum output is estimated at 396,000 tons as compared with 422,000 tons for the preceding year. The rice and rape and mustard seed crops, on the other hand, are likely to be somewhat above average. No data for castorseed production during 1941 are yet available.

### INDUSTRY

Indian industry has undergone a striking change since the outbreak of the present war, and 1941 was outstanding in the country's manufacturing experience. Developments have been similar to those of the last war, which gave a great and, in many cases, an initial impetus to industrial growth, but many of the recent steps taken to enlarge and modernize existing industries and to establish new ones are of such magnitude as to completely overshadow anything of the kind in the country's history.

Contracts for war materials and equipment for their manufacture have necessitated larger plant, improved methods, and an increase in highly trained personnel on the part of many existing industrial undertakings. Government assistance in various forms has accelerated the development of many new enterprises. The achievements of various new and established industries have been truly remarkable, particularly so in view of the many obstacles to be overcome in obtaining new equipment, in training skilled labour, and in adapting production methods to wartime demands.

Industrialization has long been one of the most cherished ideas of various Indian politicians and economists. The war is bringing this idea to fruition when, under other circumstances, the process would have occupied many long years. Whether or not the development will be for the country's permanent good is problematical, but there is at least no denying that the events of the last two years have been phenomenal, and that the Empire cause has benefited from them to a very important degree.

### COTTON

India's cotton industry has experienced an eventful year. Raw-cotton prices, which reached abnormally high levels as a result of the war, have fluctuated greatly in sympathy with the trend of events in the Near and Middle East, the Russian campaign, the freezing of Japanese assets, and the final outbreak of war in the Pacific. Prices at the end of December were generally weak.

The mill industry has recorded a higher output than even before. It is at present concerned not only with increased domestic demand, resulting from the virtual cessation of imports from the United Kingdom, Continental Europe, and Japan, but is exerting every effort to meet the extensive requirements of various Empire governments for large quantities of both yarn and cloth.

### JUTE

The jute industry has experienced troublesome times for several years past, due in the first place to overproduction of the raw fibre and, secondly, to



unrestricted competition among the mills. The Bengal Government undertook to correct the former situation as far as possible by an order restricting raw fibre production, and it is apparent that the 1940-41 crop will be recorded as less than half of that of the previous year. It may even prove to be inadequate for the mills' requirements.

Export markets for manufactured jute goods have undergone severe contraction. Counteracting factors have been the renewal of sandbag orders by the United Kingdom Government and the sound maintenance of United States purchases of hessian cloth. Altogether the position is considerably brighter than had generally been expected.

#### IRON AND STEEL

No industry in India has been as much affected by recent events as that producing iron and steel. The various plants, the capacity of which has frequently been disregarded or underestimated, have been operating under extreme pressure since before the outbreak of war. Several of them have been enlarged and improved to permit of the manufacture of alloy steels and a variety of other special products required as war materials.

The war of 1914-18 exercised a stimulating effect on India's iron and steel industry, which before that time was of comparatively small importance. Subsequent development was steady, and India's position among the world's principal producers increased appreciably. Current expansion in the output of both standard and high-grade steels in this industry is likely to rank as one of the outstanding features of India's industrial history.

#### TEA

The tea trade has been in a more fortunate position than several other of India's leading industries in that a large part of its total output has been sold to the United Kingdom Government on a long-term contract. Despite the loss of numerous markets, therefore, this contract for the sale to the United Kingdom of 279 million pounds (some 60 per cent of recent annual production) has provided a sound basis for future business. Exports to all markets have suffered to some extent from the shortage of shipping space but, with the raising of the export quota from 344 million pounds in 1938 to 421 million pounds in 1941, improved domestic consumption and an increase in the index number of prices from 124 in January, 1938, to 211 in November, 1941, the present position is by no means unfavourable, while the outlook can safely be regarded as much more encouraging than for some time past.

#### SUGAR

Sugar production continues to make substantial, if erratic, progress. The industry suffers from lack of organization and control, but it is still apparent that it is economically sound and that it has an assured future. Production during 1941 was somewhat less than in the previous year, and imports were correspondingly larger. A decline in the area under cane for the 1941-42 crop points to some further reduction in output. This trend, however, may be taken as evidence of consolidation and more precise planning than has been apparent in several previous years, and such signs are a useful assurance regarding future trends in this business. The year's prices were slightly below those of 1939 and 1940.

#### COAL

India's important coal trade has experienced a year of changing fortunes. During the early months export demand was abnormally keen, but the shipping position and the trend of the war in the Near and Middle East led to a serious

reduction in this branch of the business, which has since been accentuated by events in the Pacific. The domestic market has, however, been unusually insistent on supplies, the railways and numerous war industries being the principal buyers. Raisings are understood to have exceeded those recorded in 1940, which were in turn substantially larger than in 1939. Towards the end of the year, in order to enable efficient and equitable supply throughout the country, the Government appointed a controller of coal distribution and has taken steps also to control prices of this vital commodity.

#### TRANSPORTATION

The approximate gross earnings of Indian state railways (which comprise the greater part of this country's railway system) for the period April 1 to December 20 amounts to Rs.888,500,000. This figure exceeded similar totals for 1940 and 1939 by Rs.122,200,000 and Rs.209,600,000 respectively. Working expenses increased only slightly. The railways have been operating under numerous handicaps and have achieved excellent results.

Coastal and inland shipping services have been maintained as far as circumstances have permitted.

Inland air services have continued operations on as extensive a scale as possible. Plans are being continually developed for the expansion of the present system.

#### LABOUR

The labour situation during the past year can be described as a great improvement over that recorded in 1940. Up-to-date information regarding strikes and lockouts is, however, not as yet available. Industrial disputes in India are more common to the cotton and jute industries than to others and, although there have been several strikes in these trades, they have generally been settled in a spirit of compromise. It is estimated that the final record of working days lost during the year will be considerably less than the 1940 total of 7,577,000.

#### PRICES

Prices of practically all commodities have risen sharply during the year. Government control has been concerned principally with the prices of rice, wheat, and other commodities in general demand by the native population and has had little to do with those of many imported or locally manufactured articles.

A survey of the index numbers of wholesale prices of various goods in Calcutta at the close of the year shows that, on a basis of prices prevailing in July, 1914, the general average at December 31, 1941, was 154, as compared with 120 at December 31, 1940, and 137 at December 31, 1939. Metals, cotton manufactures, and miscellaneous foodstuffs stood at 251, 217, 210 respectively, while raw cotton, raw jute, and hides and skins were recorded as 80, 83, and 89. Practically all prices were considerably higher than at the end of 1940 and in nearly every instance well above any previously recorded levels.

#### PUBLIC FINANCE

India's financial position has undergone many important alterations during 1941. For many years a debtor country, owing to foreign investments and to the necessity of borrowing from abroad, India has now, as result of the war and her ability to meet many Empire and other demands for a wide range of essential goods, reached a position where a large part of her indebtedness in sterling has been liquidated and where the time is not far distant when she may become a creditor country as far as sterling and most other exchanges are



concerned. The many valuable contracts placed in India during 1940 by the United Kingdom Government resulted in a marked increase in the sterling balances held abroad by the Reserve Bank of India, and a continuance in this trend during 1941 permitted the bank to undertake an extensive scheme of sterling debt repatriation. In co-operation with the United Kingdom Government, all terminable sterling loans have now been refunded. The amount involved was some £96,000,000. A further amount of non-terminable loans (some £160,000,000) remains to be paid, but this can be arranged whenever desirable. The annual saving in interest charges payable by the Government of India as result of these arrangements is some £3,500,000.

The internal debt stood at some Rs.4,000,000,000 at January 1, 1941. There have been some increases during the past year, owing partly to the necessity of issuing rupee equivalents to holders of retired sterling loans as well as to the issue of several large loans for defence purposes. The former amount is estimated at Rs.1,030,000,000. Defence loan subscriptions have amounted to approximately the same figure. Internal debt has accordingly increased during the year by some 50 per cent.

With the continued accumulation of sterling balances, the repatriation of non-terminable loans will no doubt be undertaken when convenient. Internal indebtedness may at the same time be expected to show further increases. In any case India's financial position at the close of 1941 appears to be unusually sound.

#### EXCHANGE

The rupee-sterling exchange rate has remained stationary throughout the year at approximately 1s. 5 $\frac{1}{16}$ d. There has been practically no fluctuation in the rupee-Canadian dollar rate, which has remained at or about Rs.1 to Can.\$0.335.

### UNITED STATES FOREIGN TRADE IN 1941

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, April 1, 1942.—In accordance with a previously announced policy of reporting the total values of exports and imports while withholding from publication detailed foreign trade information by commodities and by countries of origin or destination, the Bureau of Census of the Department of Commerce recently issued a press release giving the value of total trade for 1941.

The report indicates that United States exports, including re-exports, for 1941 were valued at \$5,146,000,000, while general imports for the year were valued at \$3,345,000,000. The excess of exports over imports was \$1,801,000,000.

#### EXPORTS

The 1941 value of United States exports was 27.9 per cent over the 1940 value of \$4,021,000,000 and was accompanied by a 20 per cent increase in the quantity of goods exported. The value of exports for the year, including lend-lease shipments, was exceeded only in 1929 and in the years 1916 through 1920. Exports of United States merchandise were valued at \$5,019,000,000 as compared with \$3,934,000,000 in 1940, a gain of 28.2 per cent. On the other hand, re-exports of foreign merchandise were valued at \$127,000,000, or 45.9 per cent over the total of \$87,000,000 for 1940.

#### IMPORTS

The total value of United States imports in 1941 amounted to \$3,345,000,000 as compared with \$2,625,000,000 in the previous year, a gain of 25 per cent. Imports for consumption, valued at \$3,222,000,000, were 26.7 per cent above the 1940 value of \$2,541,000,000.



## UNITED STATES LUMBER INDUSTRY IN 1941

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, March 31, 1942.—During 1941 the lumber industry of the United States reflected to a large extent the benefits arising from the demands of the national defence program and improved business conditions. Although the demand for lumber in the first six months of 1941 was below that of the last half of 1940, demand in the second half of 1941 brought the consumption to over 34,000,000,000 feet. On the other hand, production was approximately 34,000,000,000 feet, and imports for the year totalled 564,312,000 feet. Retail stocks in the hands of dealers were 520,000,000 feet above those of 1940, while stocks at the mills were 349,000,000 feet below those of the previous year. The increased demand for lumber was accompanied by a substantial rise in prices. Lumber imports recorded a decided decrease, while exports showed a large gain over the 1940 figures.

### PRODUCTION

According to a recent report of the Lumber Survey Committee to the Department of Commerce, domestic lumber production was approximately 34,000,000,000 feet, or 10 per cent above the 1940 estimate of 31,000,000,000 feet. Lumber shipments were approximately 35,700,000,000 feet, or 5 per cent above production and 8 per cent greater than in 1940.

### DOMESTIC STOCKS

During the past few years, retail lumber stocks have been recording successive declines, but in 1941 the stocks of 6,615,000,000 feet were 8·5 per cent above the 6,095,000,000 feet in stock at the close of 1940.

Mill stocks of lumber on December 31, 1941, amounted to 6,328,000,000 feet, a decrease of 5·2 per cent from the figure of 6,677,000,000 feet recorded on December 31, 1940. Total softwood mill stocks were at 4,973,000,000 feet as compared with the 1940 figure of 5,122,000,000 feet, a decline of 2·9 per cent. Hardwood mill stocks at the close of 1941 amounted to 1,355,000,000 feet as compared with 1,555,000,000 feet at the end of 1940, a decrease of 12·9 per cent.

All the softwood areas, with the exception of the Douglas fir and the northern (Wisconsin and Michigan) districts, recorded declines in stocks ranging from 5 per cent to 24·6 per cent, and all the hardwood areas, with the exception of the Appalachian district, showed declines ranging from 14·5 per cent to 31·9 per cent.

### PRICES

The United States Bureau of Labor Statistics reports that the lumber wholesale price index (1926 equals 100) of construction lumber for 1941 was 122·5 as compared with 102·9 for 1940. In December, 1941, the index stood at 129·4 as compared with 118·4 in January, 1941.

The average southern-pine sales price of grades and items, compiled by the Southern Pine Exchange, was \$35.88 for 1941 as against \$29.70 in 1940. The average West Coast lumber price received for shipments in December, 1941, was \$32.45 as against \$33.34 in November, 1941. The December, 1940, average price was \$25.58. The average return for 1941 was \$29.39 as compared with \$22.15 for the year 1940. Some of the increase in price was due to the lack of space for cargo shipments and a resulting smaller percentage of shipments of the lower grades.

The Southern Hardwood Producers Inc. reported the price index, a weighted average of No. 2 common and better grades of southern hardwood, at \$40.87 for December, 1941, as compared with \$40.83 in November and \$33.43 in December, 1940.

## LUMBER CONSUMPTION

United States lumber consumption, including exports, for 1941 was estimated at 34,134,000,000 feet as compared with 31,196,000,000 in the previous year, a gain of 10 per cent. The principal consumers during the past year were the building industry, including purchases for private and government contracts, the railroads, and the furniture, flooring and box and crate industries.

## BUILDING INDUSTRY

The building industry is the principal consumer of lumber. In 1941 the value of new construction contracts was estimated at \$10,473,000,000 as compared with \$7,224,000,000 in 1940. Private construction accounted for approximately 51 per cent of the total new construction in the year. Residential building in 1941 exceeded that of 1940 by 20 per cent in floor area and by 22 per cent in value, while non-residential building was 64 per cent greater in floor area and 79 per cent greater in value than in the previous year.

## EXPORTS

In view of the fact that the United States Department of Commerce have not released the figures of total United States lumber exports for 1941, the amount of these exports can only be estimated.

For the second consecutive year United States exports of lumber recorded a decline, the 1941 estimated total of 564,312,000 feet being 33·7 per cent below the 1940 total of 852,760,000 feet. Softwood lumber exports were placed at 467,538,000 feet, or 33·5 per cent below the previous year's total of 703,559,000 feet. Hardwood lumber exports were estimated at 96,774,000 feet, or 34·2 per cent below the 1940 total of 149,201,000 feet.

## IMPORTS

Total imports of lumber into the United States in 1941 were estimated at 1,349,999,000 feet, an increase of 86·4 per cent over the 1940 total of 724,257,000 feet.

Imports of hardwood lumber were placed at 166,664,000 feet as against 117,073,000 feet in 1940, a gain of 42·7 per cent.

## SOFTWOODS

Softwood lumber imports for 1941 were estimated at 1,183,335,000 feet as compared with 607,184,000 feet in 1940, an increase of 94·8 per cent. Canada was the principal source of supply, accounting for 99 per cent of the total imports. The estimated imports from Canada were 1,171,866,000 feet as against 599,156,000 feet in 1940, a gain of 95·4 per cent.

As there are no figures available for imports of softwood lumber from Canada during the fourth quarter of 1941, the following comparisons are for the first nine months only. Imports of fir and hemlock for the January-September period amounted to 359,982,000 feet as compared with 92,959,000 feet in the like period of 1940 and 122,488,000 for the twelve months of 1940. Receipts of pine amounted to 94,921,000 feet as compared with 80,548,000 feet in the like period of 1940 and 120,371,000 feet for the full year. Spruce imports totalled 330,575,000 feet as against 188,628,000 feet in the first nine months of 1940 and 294,929,000 feet for the full year. Cedar imports amounted to 58,771,000 feet as compared with 45,234,000 feet in the corresponding period of 1940 and 61,275,000 feet for the twelve-month period.

Imports of softwoods from countries other than Canada were placed at 11,469,000 feet in 1941 as against 8,028,000 feet in 1940, a gain of 37·5 per cent.



## FUTURE TRENDS

It is anticipated that for 1942 the consumption of lumber and timber products will continue at a high level and will possibly exceed 35,000,000,000 feet. War construction, defence housing and the defence industries will take an increasing volume of lumber, much of which will be of special grades and sizes. In addition the substitution of lumber for metals and other essential materials will steadily increase. The principal wood-using industries—building, railway, furniture, box and crate and flooring—all anticipate increased demand for their lumber requirements in 1942.

While the present productive capacity of the lumber industry, if kept in operation is adequate to supply all war needs and all essential civilian requirements—and the timber supply is ample—the industry may be hampered to some extent if it is unable to obtain its requirements of heavy logging equipment and logging-truck tires and by a possible scarcity of labour.

## CONDITIONS IN ARGENTINA IN 1941

J. A. STRONG, CANADIAN TRADE COMMISSIONER

## III

## GRAIN

Argentina was only able to find export markets for 4,228,983 tons of grain during 1941; this figure represented only 55 per cent of the 7,807,120 tons exported in 1940. Wheat exports fell by 35 per cent, and corn shipments were down by 74 per cent from the level of 1940. Corn, which is normally the most important item in Argentine grain export trade, has been virtually unsalable abroad since the middle of 1940. Fortunately for Argentina, Brazil continues to provide a steady outlet each year for 35 to 40 million bushels of wheat, but otherwise Argentina now has to depend largely on occasional sales to Spain and what the United Kingdom can take in the light of present available shipping facilities. Flaxseed has been difficult to sell in any quantity, and prospects for the immediate future depend on the demand from the United States. There is comparatively little export movement in coarse grains. Argentina produces her own malting barley. Oats are essentially a forage crop, and the acreage harvested depends largely on yields and the price outlook at harvest time.

Despite the reduced market outlets, Argentina continues to produce grain without enacting any direct measures towards restricting acreages. True, the guaranteed prices to producers are fixed at levels which preclude the grower from making any profit except when his individual yields happen to be very high. The importation of new farm implements has been restricted severely since 1939, which has some indirect effect on production. Otherwise Argentina has continued to sow more or less normal grain acreages each year. The Government buys the crop, sells as much as possible of the surplus and, apart from selling corn as fuel, leaves the unsalable surpluses to deteriorate or be lost entirely in the limited storage space that is available. It is no doubt the shortage of adequate storage space for grain in Argentina that causes the Government to hesitate about actually reducing acreages. Otherwise Argentina might find herself at some future date with markets but no supplies to offer.

It is announced officially that \$7,500,000 will be spent on elevator construction during 1942. The terminal elevators that have been built under the construction program started some five years ago are not yet in operation, due to the impossibility of obtaining the machinery on account of the war.

It has been stated that Argentina is fixing her guaranteed prices to grain producers at a level which barely covers the out-of-pocket expenses of the



producer or, conversely, just high enough to keep the tenant grower producing grain. The guaranteed prices do suffice to assure the large landowner of his return in the form of rent on that part of his property sown to grain, but the tenant farmer who cultivates his land finds present conditions very difficult. The share-cropper farmer accounts for the greater part of the grain produced in Argentina. Actually the large landowner is primarily a live-stock raiser. He does not need the grain for feed for his stock apart from the forage crops that he sows to supplement his pasture. However, the landowner does have to break up and re-seed his pasture land from time to time, so that anything he may get from the accompanying grain crop represents a profit. It is evident, therefore, that the low guaranteed minimum prices are harder on the tenant grain farmer than on the owner of the land.

The following tables indicates the current grain surplus problem in Argentina in relation to recent production and export figures:—

### *Argentine Grain Production and Exports*

	Production		Exports		Production	
	5-year Average	1940-41	1941 Average	5-year Average	1941-42	Export Surplus*
			Figures in 1,000 Bushels			
Wheat . . . . .	253,345	299,431	87,647	117,890	227,788	213,092
Flaxseed . . . . .	59,653	59,842	26,153	59,180	65,748	64,960
Corn . . . . .	302,041	411,468	21,775	239,045	†400,000	324,000
Oats . . . . .	47,481	34,986	6,865	22,013	30,479	9,727
Barley . . . . .	25,773	36,238	4,012	12,789	17,591	9,186
Rye . . . . .	10,238	8,354	1,291	5,247	6,299	†
Millet . . . . .Cwt.	748	704	330	286	638	†

\* Estimated at January 1, 1942.

† Probable new crop to be added to export surplus shown in March, 1942.

‡ Figures not available.

### GUARANTEED MINIMUM PRICES

The guaranteed minimum price policy is administered by the official Grain Regulating Board, the operations of which are financed by the semi-official Bank of the Nation. This is a commercial bank and should not be confused with the official Central Bank of Argentina.

At the close of 1941 the Grain Regulating Board had received aggregate advances from the Bank of the Nation amounting to the equivalent of \$253·3 million. However, the position of the Bank of the Nation has since been relieved in part by the transfer to it, by the Central Bank of Argentina, of \$82·8 million in 2·75 per cent negotiable Treasury notes in one- to five-year series.

Commissions and expenses paid to the Bank amounted to \$11·6 million, and approximately \$2·3 million additional will be due on this account. The 1941-42 wheat and flaxseed crops had still to be purchased. The Argentine Government announces a net loss in respect of financing the 1940 corn crop of the equivalent of \$53,000,000.

In regard to the 1938-39 wheat and flaxseed crops, the Grain Regulating Board purchased 8,360,000 tons of grain out of the total production of 12,943,258 tons. The crop included 335,805,000 bushels of wheat and 55,413,000 bushels of flaxseed. The Board had sold all its holdings before September 30, 1941, although \$8,400,000 was still to be collected on export sales, including \$6,400,000 in respect of sales to the Spanish Government, \$1,300,000 on sales to the Finnish Government, \$600,000 on sales to the Norwegian Government. The balance was due from local flour mills.

The 1939-40 wheat and flaxseed crops were very small and represented an insignificant factor in the Board's purchases. However, the Board purchased 7,260,000 tons from the 1939-40 and 1940-41 crops. Advances were made to growers on 990,000 tons, and 6,270,000 tons was received from the growers. The Board had sold only 2,200,000 tons to September 30, 1941, for \$52,300,000.

including a surcharge of \$7,600,000 collected on wheat sold to the domestic flour millers. The cost of this grain at the basic minimum prices plus expenses was \$49,000,000, or the profit shown on sales made was \$3,300,000. However, the Board had still to collect \$12,600,000, including \$9,900,000 due from the Spanish Government in respect of the purchase of approximately 15,000,000 bushels guaranteed by certain Spanish investments in Argentina.

#### GRAIN SHIPMENTS

The following comparative table shows the trend in the exports of grain, wheat flour, mill-feeds, and vegetable oil seed and products since 1938:—

#### *Argentine Grain Exports*

	1941	1940	1939	1938
Total cereals... ..Cwt.	84,579,660	156,142,404	219,571,330	142,297,034
Total cereals... ..Value \$	84,456,600	176,049,000	228,995,000	195,382,000
Wheat... ..Bu.	87,646,944	133,976,194	174,365,983	71,211,065
Corn... ..Bu.	21,775,508	73,797,608	125,829,394	103,836,495
Flaxseed... ..Bu.	26,153,176	29,613,760	46,582,702	49,720,395
Oats... ..Bu.	6,865,410	14,486,323	23,332,446	24,740,316
Barley... ..Bu.	4,012,674	17,860,661	11,919,432	9,701,424
Rye... ..Bu.	1,291,257	6,551,719	7,671,284	205,578
Birdseed... ..Cwt.	299,090	203,610	151,294	172,326
Other... ..Cwt.	42,130	4,239,554	753,786	311,784
Wheat flour... ..Bbl.	487,339	796,106	1,110,578	945,416
Bran and shorts... ..Cwt.	528,418	5,943,674	6,404,992	6,241,906
Other mill products... ..Cwt.	296,846	1,283,238	2,208,316	2,308,284
Sundry oil seeds... ..Cwt.	787,116	1,197,306	1,017,962	536,932
Oilcake... ..Cwt.	1,584,484	1,211,826	2,489,784	2,500,344
Residue vegetable oils... ..Cwt.	659,340	593,054	890,054	1,079,584
Vegetable oils... ..Cwt.	1,056,330	208,054	37,246	2,090

#### GRAIN PRICES

The trend in Argentine grain export prices is shown below in Argentine pesos per metric tons of 2,205 pounds, the figures shown being the average prices for the respective years and for December, 1941. Grain export bills are sold at the equivalent of 3·35 Argentine pesos to the United States dollar or 13·50 pesos to the pound sterling.

#### *Indices of Grain Export Prices in Argentina*

	Average for Year				December,
	1938	1939	1940	1941	1941
Wheat... ..	94	58	78	66	69
Corn... ..	68	63	45	39	45
Flaxseed... ..	143	144	158	101	128
Oats... ..	59	45	48	38	43
Barley... ..	87	57	55	33	31
Rye... ..	68	52	56	29	n.a.
Wheat flour... ..	122	91	114	133	132
Bran... ..	56	42	28	15	19
Oilcake... ..	74	79	71	40	n.a.

#### WHEAT

Argentina has just finished harvesting a wheat crop estimated at 227,788,000 bushels as compared with the previous crop of 299,431,000 bushels and a last five-year average production of 253,345,483 bushels.

Argentine exports of wheat during 1941 amounted to 87,647,000 bushels as compared with 133,976,194 bushels in 1940 and a pre-war 5-year average of approximately 117,890,000 bushels. Exports for the 1940-41 crop year, ending December 1, 1941, were 87,938,108 bushels, or 58,784,000 bushels less than for the previous crop year. Of the 1941 exports, Brazil took 35,182,224 bushels,



the United Kingdom 18,307,542 bushels, Spain 13,880,372 bushels, and 20,567,970 bushels went to all other purchasing countries, including Peru.

The Argentine carry-over of wheat available for export at the beginning of 1942 was estimated at 213,092,000 bushels, including 104,737,000 bushels from the old crop of 1940-41. Argentina does not expect 1942 exports to exceed the level reached in 1941, so that the carry-over of old wheat at the close of 1942 would approximate that for the end of 1941. Before the war Argentina sold 40 per cent of her wheat to Continental European countries, 43.9 per cent to other South American countries, and 15 per cent to the United Kingdom.

The price that the Argentine Government guarantees the producers was fixed at the same level for the current crop as for the previous crop, or slightly under the equivalent of 60 cents a bushel at the ports at current exchange rates. The fixed price is 6.75 Argentine pesos per 220 pounds delivered at the port of Buenos Aires, or an average of approximately 5 pesos at the farm. The acreage sown to wheat in the crop just harvested showed practically no change from the 1940-41 crop but was nearly 10 per cent below the last five-year average acreage.

The Argentine Grain Futures market was closed by the Government on November 14 last, and all open trades were stopped at the closing prices of that date. Wheat, flaxseed and sunflower seed can be exported now only if purchased from the official Grain Regulating Board. All wheat and flaxseed for domestic consumption must be purchased from the Board and at a fixed price approximately one-third above the guaranteed minimum price to producers. The Board will be able to ensure that all the old crop is sold before the new crop is marketed and so will avoid further deterioration of this wheat.

The Argentine Government has just sold approximately 6,000,000 bushels of wheat to Spain for shipment during the first quarter of 1942.

#### CORN

Argentina harvested two very large corn crops in succession in 1940 and 1941, or 408,515,625 bushels and 411,468,750 bushels in the respective years. There has been a 20 per cent reduction in acreage in the crop to be harvested in March, 1942, but the condition of the current crop is excellent. The present crop may reach 350 to 400 million bushels, so that Argentina may have produced during three consecutive years 1,219,000,000 bushels of corn.

Argentina normally exports around 80 per cent of her corn production, since very little is fed or has to be fed to live stock in this country. This would leave a surplus of 996,000,000 bushels of corn available for export over the three years. Actually Argentina was only able to find export markets for 220,000,000 during the three years 1939, 1940 and 1941. In 1941 exports amounted to only 20,000,000 bushels, and the outlook is not any brighter for 1942.

The corn surpluses are stored unshelled on the farms. The Government pays the producers the fixed guaranteed minimum price at the farm, and the expenses for shelling and transportation are not incurred except as markets are available.

The guaranteed price is very low, and is only intended to cover the bare expenses of production. The Argentine Government probably counts on continuing to lose around \$50,000,000 annually on the corn crops for the duration. It has made every effort to encourage the burning of corn-on-the-cob by industrial plants as fuel to save imported coal and petroleum. The corn is sold at very low prices for this purpose, and the raisers of live stock are given similar encouragement to buy corn for feed. Due to weevil damage and other forms of deterioration, corn cannot be carried in good condition much past the end of the crop year.



Before the war Argentina sold 44·8 per cent of her corn exports to Continental Europe and 37·8 per cent to the United Kingdom.

#### FLAXSEED

Argentina has just harvested a flaxseed crop estimated at 65,747,900 bushels as compared with 59,842,000 bushels in the previous year and a five-year average of 59,653,503 bushels.

The exportable surplus of flaxseed at the opening of 1942, including the present crop, is estimated at 64,960,500 bushels. Argentina was only able to find export markets for 26,153,000 bushels during 1941, or less than half the quantity exported in 1940 and only 40 per cent of the amount available for shipment in 1942.

The Government continued the guaranteed minimum price to producers for the current flaxseed crop at the figure fixed for the 1940-41 crop, or at the equivalent of approximately 77 cents per bushel. This represents, as in the case of wheat a comparatively low price in relation to minimum expenses of production. Flaxseed, like wheat, can only be sold to the official Grain Regulating Board. During recent weeks the Board has raised its export price on flaxseed from the price paid producers to approximately double that figure. This was possible on account of the firmer market in the United States and the fact that the Board has complete control of local supplies. The ocean freight on flaxseed to the United States has been reduced from \$22 to \$15 per ton.

The Argentine Government has announced that measures will be adopted with a view to increasing the local production of linseed oil in 1942. A Soviet Russian steamer recently arrived to load linseed oil and other vegetable oils, and another is expected this month from the same source. Before the war, Argentina sold 61 per cent of her flaxseed to Europe and 30 per cent to the United States.

#### COMPARATIVE POSITION OF ARGENTINA

The position of Argentina as a producer of grain and live stock, as compared with Canada and certain other competitor countries in world export markets, is indicated in the following tables on the basis of live-stock population and acreages sown to grain:—

##### *Live-stock Population*

	Cattle No.	Sheep No.	Pigs No.	Horses No.
Argentina.. . . .	34,317,663	45,916,768	3,381,439	8,262,057
Canada.. . . .	8,474,000	3,366,000	4,294,000	2,824,000
Australia.. . . .	13,012,110	116,144,401	1,272,287	271,581
New Zealand .. . . .	4,564,948	31,897,091	683,463	274,803

##### *Grain Acreages*

	Wheat	Corn	Flaxseed
Argentina.. . . .	14,268,750	13,267,500	5,562,500
Canada.. . . .	28,066,250	.....	356,250
Australia .. . . .	12,965,000	.....	.....
India .. . . .	.....	.....	3,873,750
South Africa.. . . .	.....	2,721,000	.....
Uruguay .. . . .	.....	.....	505,000

The foregoing illustrates the particular importance of Argentina as a producer of beef, corn and flaxseed among exporting countries. Canada is a more important producer of wheat, and Australia produces more mutton and wool than Argentina. Further Canada produces more pork, and Canada, Australia and New Zealand are more important in dairying.

## FRUIT EXPORTS

Argentina exported 228,950 boxes of fresh apples during 1941 as compared with 244,098 boxes in 1940 and 593,070 boxes in 1939. Brazil took 220,305 boxes of the total of 228,950 boxes exported in 1941. The only other sales were 5,661 boxes to Uruguay, 2,884 boxes to Paraguay, and 100 boxes to the United States. There were no sales to the United Kingdom.

Argentine exports of fresh pears amounted to 671,899 boxes in 1941. Brazil took 333,091 boxes, the United States 326,357 boxes, as compared with 262,458 boxes in 1940, Canada 9,588 boxes, Paraguay 2,697 boxes, and Uruguay 166 boxes. In 1939 Europe took 1,065,818 boxes of fresh pears of a total of 1,417,173 boxes exported from Argentina.

Shipments of Argentine grapes amounted to 631,699 boxes, of which the United States took 449,437 boxes, Brazil 162,642 boxes, Canada 13,401 boxes, and Paraguay 6,219 boxes.

The following table shows the volume of fruit exports from Argentina since 1938:—

*Argentine Fruit Exports*

	1941 Boxes	1940 Boxes	1939 Boxes	1938 Boxes
Fresh apples . . . . .	228,950	244,098	593,070	204,274
Fresh pears . . . . .	671,899	640,609	1,417,173	923,091
	Cwt.	Cwt.	Cwt.	Cwt.
Fresh grapes . . . . .	125,376	135,850	204,095	184,735
Dried prunes . . . . .	11,775	4,542	13,627	5,380
Fresh peaches . . . . .	11,731	4,234	17,971	15,369
Fresh lemons . . . . .	22	287	948	331
Fresh melons . . . . .	6,086	3,065	2,073	5,314
Fresh apricots . . . . .	66	728	15,633	8,181
Fresh oranges . . . . .	441	287	220	66
Other . . . . .	1,874	926	27,474	17,640
Total fruit . . . . .	553,918	539,497	1,161,616	725,974
Value \$ Canadian . . . . .	1,819,205	1,767,881	3,636,092	2,435,430

Argentina is now harvesting her 1942 fruit crop. Apple production is estimated at 9 per cent below the crop of 1941, and pear production is down 16 per cent. The Rio Negro zone, which is irrigated, produces the North American varieties, such as the Delicious, Jonathan, etc., and these varieties account for 47 per cent of the total apple production of Argentina. The Mendoza zone, in the foothills of the Andes, supplies another 20 per cent of the apple production besides the bulk of the grapes. The Williams variety is the important factor in pear production, and the principal growing zones are Rio Negro and Mendoza.

Argentina imported 44,253 boxes of fresh apples from Canada and the United States for the Christmas trade this season.

## POTATOES

Argentina exported the equivalent of 902,740 crates (1.86 bushel each) of seed and table potatoes during 1941 as compared with 690,500 crates in 1940. Uruguay is the principal market.

Canada shipped 64,082 crates of certified seed potatoes to Argentina this season as against 152,000 crates for the 1940-41 season, and Uruguay took 66,764 crates. The United States supplied 13,000 crates to Argentina.

Potato production has been a serious problem for Argentina over the past seven years. During the first years of this period large quantities of seed and table potatoes had to be imported from abroad. The situation shows evidence of becoming more stable now that there are regular importations of a quantity of good seed each season, principally from Canada.



## VEGETABLE OILS

There has been a large increase in the production of edible vegetable oils in Argentina during the past ten years. As a result of the outbreak of civil war in Spain, supplies of olive oil were cut off, and this gave a great impetus to local production. The sunflower acreage to be harvested in April next is 41 per cent above the 1941 figure.

Argentina imported 65,293 tons of vegetable oils in 1930. This country is now an exporter of vegetable oils, shipments reaching 52,817 tons in 1941. Almost two-thirds of the local production is sunflower-seed oil, cotton-seed oil being next in importance. Other oils are from turnip seed, peanuts, spurge, olives, corn, grapes, tung and coconuts. Argentina exported 79,224 tons of oil cake in 1941 and 32,967 tons of residue from the vegetable oil factories.

## FOREST PRODUCTS

Among forest products quebracho extract and quebracho logs represent the only export of any importance. Quebracho is a very hard wood that is used in Argentina for railway sleepers, paving blocks and firewood. The extract is used for tanning purposes. Exports of quebracho extract were valued at \$12.6 million in 1941 as compared with \$10 million in 1940. Prices of quebracho extract averaged 8 per cent higher in 1941 than in 1940.

## MEXICAN MARKET FOR PAINTS AND VARNISHES

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One Mexican peso equals approximately 23 cents Canadian; one kilo equals 2.2 pounds.)

Mexico City, March 6, 1942.—The market in Mexico for varnishes and paints is small, owing to the low purchasing power of the bulk of the native population. In the country districts the natives live in adobe huts and the comparatively few in the well-to-do class in stone or brick houses, which require little paint.

## IMPORTS

The following table shows imports into Mexico in 1939, 1940 and the first eight months of 1941 of paints, varnishes and colours, totals being given for individual items with figures for each of the principal sources of supply:—

*Mexican Imports of Paints, Varnishes and Colours*

	1939 Kilos	1940 Kilos	Jan.-Aug., 1941 Kilos
Colours of animal origin . . . . .	258	1,936	1,380
Colours of vegetable origin in powder or crystals, n.o.p. . . . .	23,477	11,995	6,260
Germany . . . . .	11,584	2,629	.....
United States . . . . .	5,080	7,103	6,085
France . . . . .	4,424	444	.....
Japan . . . . .	1,997	964	.....
Netherlands . . . . .	.....	525	.....
Great Britain . . . . .	.....	.....	135
Switzerland . . . . .	.....	.....	40
Colours derived from coal tar in powder or crystals, n.o.p. . . . .	1,067,984	1,023,398	1,002,280
Germany . . . . .	536,029	82,116	10
Belgium . . . . .	2,861	976	.....
United States . . . . .	285,622	519,867	824,629
France . . . . .	134,023	147,337	.....
Great Britain . . . . .	2,254	4,346	973
Italy . . . . .	.....	12,244	943
Japan . . . . .	8,095	72,099	93,103
Netherlands . . . . .	11,101	3,038	.....
Sweden . . . . .	5,645	2,472	.....
Switzerland . . . . .	82,353	177,534	78,814
Canada . . . . .	.....	.....	3,388
Cuba . . . . .	.....	.....	420



	1939 Kilos	1940 Kilos	Jan.-Aug., 1941 Kilos
Colours of all kinds, moulded into uniform pastes and in containers whose weight is up to 50 grams . . . . .	88,570	45,362	64,920
Germany . . . . .	38,750	6,601	9,920
Belgium . . . . .	14,063	9,811	.....
United States . . . . .	31,260	24,349	50,700
Great Britain . . . . .	3,727	2,079	4,128
China . . . . .	.....	.....	12
Japan . . . . .	.....	.....	159
Colours of mineral origin, n.o.p. . . . .	292,357	343,188	268,685
Germany . . . . .	102,084	17,084	5
Belgium . . . . .	5,016	4,655	.....
Canada . . . . .	13,415	.....	7
Czechoslovakia . . . . .	177	.....	.....
Spain . . . . .	.....	.....	19
United States . . . . .	152,953	291,422	260,813
France . . . . .	4,415	2,021	495
Great Britain . . . . .	1,742	14,100	4,412
Italy . . . . .	19	1,692	.....
Japan . . . . .	4,491	7,551	2,844
Netherlands . . . . .	7,997	424	.....
Puerto Rico . . . . .	.....	.....	2
Boxes of paints and colours . . . . .	2,465	4,132	3,715
Germany . . . . .	760	19	.....
United States . . . . .	824	3,015	3,255
France . . . . .	150	949	.....
Great Britain . . . . .	645	67	77
Japan . . . . .	.....	.....	382
Varnishes and colours with a basis of alcohol or ether . . . . .	179,544	203,080	190,320
Germany . . . . .	10,247	327	.....
United States . . . . .	164,901	199,534	190,155
France . . . . .	3,758	2,555	.....
Great Britain . . . . .	82	.....	157
Solid colouring materials used in rubber manufacture . . . . .	1,254	1,945	.....
United States . . . . .	1,254	1,677	2,940
Varnishes and prepared colours, weighing up to 5 kilos, including the container . . . . .	101,180	101,146	76,300
Germany . . . . .	8,142	382	1
Canada . . . . .	1,851	619	1,165
United States . . . . .	83,466	93,619	74,769
France . . . . .	1,109	.....	.....
Great Britain . . . . .	1,695	1,348	301
Netherlands . . . . .	4,272	4,194	.....
Argentina . . . . .	.....	.....	25
Spain . . . . .	.....	.....	4
Japan . . . . .	.....	.....	28
Switzerland . . . . .	.....	.....	7
Varnishes and prepared colours, weighing over 5 kilos, including the container . . . . .	643,597	699,525	699,338
Germany . . . . .	10,604	.....	.....
Canada . . . . .	2,725	1,230	.....
United States . . . . .	606,468	663,140	690,414
France . . . . .	1,699	59	.....
Great Britain . . . . .	18,020	4,282	8,005
Netherlands . . . . .	3,567	702	.....
Argentina . . . . .	.....	.....	308
Japan . . . . .	.....	.....	611

All weights in the foregoing table are gross weights, except for paints in boxes, which are legal weights. The legal weight is the weight of the goods plus that of the immediate containers; the gross weight is the weight of the complete packing and goods, including case and all intermediate packing such as straw, excelsior, etc. Thus the nature of the packing may have a considerable effect on the amount of duty payable on gross-weight items.

As shown in the foregoing table, the principal item of import into Mexico among prepared colours is colours derived from coal tar. Colours of mineral origin take second place, and imports of all other classifications of colours and varnishes are small.

The increase in imports in late years as a result of increased building in Mexico is noteworthy. This is particularly true in regard to varnishes, which are used for the interior decoration of houses in this country. Total importations of varnishes and paints in 1934 were 52,227 kilos; for 1935 they were 43,872 kilos, and for 1936 they totalled 38,646 kilos. In 1937, however, when extensive building operations began in the capital and at various pleasure resorts, such as Acapulco, imports amounted to 90,169 kilos. In 1938 they were 70,729 kilos and in 1939 the figure was 107,512 kilos.

However, the principal importations that are of interest to Mexico are the primary materials for paints and colours. The following table shows the importation of these from chief supplying countries in 1939 and 1940 and the first eight months of 1941:—

*Mexican Imports of Primary Materials*

	1939 Kilos	1940 Kilos	Jan.-Aug., 1941 Kilos
Prepared floor-wax . . . . .	11,519	6,626	.....
United States . . . . .	11,519	6,626	.....
Marine blue (silicate of aluminium and sodium and of sulphur of sodium) . . . . .	321,669	205,367	.....
Germany . . . . .	51,136	3	.....
Belgium . . . . .	122,205	43,874	.....
United States . . . . .	57,514	119,038	102,699
France . . . . .	53,795	36,187	.....
Netherlands . . . . .	29,700	5,550	.....
Costa Rica . . . . .	.....	.....	5,500
Great Britain . . . . .	.....	.....	831
Japan . . . . .	.....	.....	650
Prussian blue . . . . .	20,116	5,579	1,811
Germany . . . . .	13,787	3,140	.....
United States . . . . .	1,281	2,081	1,811
Netherlands . . . . .	4,688	358	.....
Red, yellow and all other kinds of iron oxides	241,020	185,977	201,402
Germany . . . . .	82,716	.....	2
Belgium . . . . .	18,130	.....	.....
Canada . . . . .	30,525	40,494	27,944
Spain . . . . .	.....	.....	10,596
United States . . . . .	101,725	138,668	162,618
France . . . . .	1,068	.....	.....
Great Britain . . . . .	1,143	.....	242
Netherlands . . . . .	5,703	.....	.....
Mixtures of barium sulphate and sulphur of zinc known as "Lithopone" . . . . .	961,661	661,474	659,408
Germany . . . . .	531,653	144,529	.....
Belgium . . . . .	56,661	31,300	.....
United States . . . . .	321,481	466,312	658,325
Italy . . . . .	.....	19,184	.....
Netherlands . . . . .	44,862	.....	.....
Great Britain . . . . .	.....	.....	1,083
Mixtures of bicarbonate of calcium and glue in powder . . . . .	7,057	6,072	5,498
United States . . . . .	.....	.....	5,498

Many other items, not included in the above table, are, of course, imported for the paint industry. Chief among these are the mixtures of ethers and alcohols, imports of which are valued at approximately 100,000 pesos a year. The principal countries formerly supplying these goods were the United States and Switzerland.

Imports of colours derived from coal tar will probably be reduced in future through the establishment of a manufacturing plant in the State of Coahuila.

LOCAL PRODUCTION

In the past there have been about ten domestic firms manufacturing paints in Mexico. These produced all types except specialties such as petrifying paints, etc. Quite recently, however, a number of new factories have begun operations. There are approximately fourteen to eighteen factories manufacturing ordinary

water paints, using glue, casein, cement, lime, etc. These range from small establishments with hand mills to fair-sized factories. There are from five to eight plants making oil paints. Some of these, however, only prepare paints from imported ingredients; others are more advanced in their methods of production. From one to three factories produce special types such as automobile, industrial, and rust-protecting paints, etc.

The ordinary production of water paints is greater than that of other types in Mexico. In fact the producers of water paints can manufacture all types in this category, and there is little necessity for imports. However, the local plants have as yet not produced the best grades of oil paints, and the import market for these is limited to the better grades.

#### FACTORS LIMITING IMPORTS

Included among the paint manufacturers in Mexico are subsidiaries of at least one firm of international repute. The bulk of the raw materials for paint manufacture are mainly imported, so that there is a tendency toward increased imports of various raw materials, such as dry colours, in order to meet the requirements of increasing domestic production. Consequently there is a marked recession in imports of ready-mixed paints and paints and colours ground in liquid.

Tariff rates are another factor limiting imports. The addition of tariff charges to the cost of imported low-grade oil and water paints would increase prices to such an extent as to preclude competition with the low-priced domestic products. However, the imports of higher-grade oil paints are not adversely affected by the tariff, since they are not produced locally. The same applies to special types such as automobile, industrial and rust-protecting paints.

A third factor limiting imports is the more favourable position of the local paint manufacturer as compared with the importer supplying wholesalers. Hand-to-mouth buying prevails in nearly all Mexican industries, and wholesalers are not in a position to carry large stocks. Further, the local manufacturer can deliver more promptly.

It is apparent, therefore, that the prospects for Canadian manufacturers developing a market for their products in Mexico are not favourable except for high-quality or specialty paints.

#### IMPORT POSSIBILITIES

There are substantial imports of lacquers. Japans are little used, and Brunswick black is practically unknown, as vegetable black, which is produced locally, is generally used. Fused gums for the manufacture of varnishes, particularly those for first-class products, are all imported. Some gums for cheap varnishes are produced locally. Certain lacquers are made in Mexico, but the raw materials for these have to be imported. Gold sizes, on the other hand, are not produced locally, and before the outbreak of war the market was partial to gold sizes from France. Imports, however, are small.

Fair quantities of mineral paints are purchased, as shown by the import figures. The demand for petrifying liquids for concrete is also supplied by imports, but these are small.

Various well-known high-grade products of United States manufacture are handled through branch stores established by the producing firms in Mexico. Ordinary lines of paints, unless they are very low in price, have little opportunity of competing on this market. There will always, however, be an opening for special lines having enduring qualities or other properties. There is undoubtedly a strong preference on the part of large importing and paint-consuming concerns, such as the railway stores, etc., for products of local manufacture.



### WATER PAINTS

A total of 85 per cent of the ordinary water paints with bases of glue, casein, lime, etc., sold in Mexico is manufactured locally. They are mostly made with pigments from earth colours produced in the country. However, blue and green pigments have to be imported, and at present there is a scarcity on this market.

Low-grade putty and wood fillers are manufactured locally, but a few high-grade products are imported.

All kalsomine distempers are produced locally, and are very cheap. A few firms import high-grade kalsomine distempers.

### OIL PAINTS

About 45 to 50 per cent of the oil paints sold in Mexico are of domestic manufacture, the remainder being imported. These imports comprise about 20 per cent first-class paints, 35 per cent being essential ingredients for making this type of paint in the country.

Practically all oil paints are sold in liquid form. In some cases the concentrated paints are imported and then thinned down. A saving in cost is thus achieved, but the paint is inferior for use on high-class work.

### SPECIAL PAINTS

All special types of paints are imported. In some cases, however, the ingredients only are brought in and are blended, prepared, and packed locally. Some cheap lacquers for automobiles are manufactured in the country, chiefly for use on buses. The colours for special paints are also imported, partly as liquids or pastes, and partly in powdered form.

A Mexican firm is endeavouring to meet the demands of the railways in paints for bridge and locomotive work. The Government Petroleum Company uses creosote as anti-fouling compositions and anti-rust paint. Other mineral-oil derivatives are used by government departments in anti-fouling compounds. Mercuric oxide and lead oxide are both produced in Mexico, and anti-rust paints are produced with these two ingredients as bases.

High-grade paints for artist's use are all imported.

### LINSEED OIL

Cooked and uncooked linseed oils are produced locally and imported only in small quantities when the Mexican crop fails.

### METHODS OF SALE

Most of the large United States firms have branches in the main cities of Mexico. Hardware stores chiefly carry locally made household paints but they also stock some of the lines available through importers. For special paints it is necessary that the exporter appoint an agent who has connections in that particular line; for marine paints the agent should be located at a port. The only method of handling imported paints is through a manufacturer's representative, who maintains contact with the larger firms and keeps in touch with government departments.

It is generally conceded that paint agencies are difficult to handle, and few agents wish to take on new lines. One of the essentials of this business is continuity of supply; job lots are not favoured on this market. It is estimated that an agent will require from four to six years to build up a business in the paint line. During that period the manufacturer must supply him liberally with samples and undertake a well-managed advertising campaign. For auto-

mobile paints an automobile dealer is required; for household paints a representative should have connections with supply houses for architects; for machine paints and cheap paints hardware stores are the best connections.

### DUTIES

Following are the duties on imports into Mexico of paints, varnishes, and colours:—

	Pesos per Kilo Gross Weight
Ultramarine blue (silicate of aluminium and sodium and of sulphide of sodium) . . . . .	0.15
Colours of animal origin, not ready-made, n.o.p. . . . .	0.15
Colours of vegetable origin, either powdered or in crystal form, n.o.p. . . . .	0.25
Prussian blue . . . . .	0.25
Coal tar colours, either powdered or in crystal form, n.o.p. . . . .	0.25
Colours made of all materials, moulded into uniform masses, and those in containers, the weight of which, including the said containers, does not exceed 50 grams . . . . .	0.30
Red and yellow oxide of iron, ochre, and all kinds of oxide of iron . . . . .	0.25
Mixtures of sulphate of barium and sulphide of zinc, commercially known as "Lithopone" . . . . .	0.15
Colours of mineral origin, not ready made, n.o.p. . . . .	0.25
Varnishes and colours, prepared with a basis of alcohols or ethers, in containers of any kind . . . . .	0.60
Colouring materials in a solid state, for the manufacture of rubber, with a basis of caoutchouc and colours of organic or mineral origin . . . . .	0.30
Varnishes and colours, ready-made, the weight of which, including their immediate container, does not exceed 5 kilos, n.o.p. . . . .	0.60
Varnishes and colours, as above, exceeding 5 kilos . . . . .	0.40
Turpentine . . . . .	0.20
	Pesos per Kilo Legal Weight
Paint and colour boxes, even when containing painting utensils, of all kinds. . . . .	0.90

## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent Germany and Italy from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be avoided. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the com-



pletion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many Italian and German subjects carry on business in neutral countries without assisting Italy or Germany, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

The complete Canadian List, in the form of a Consolidation of the Canadian Lists of Specified Persons, is now obtainable for a price of 10 cents from the Distribution Branch, Department of Public Printing and Stationery, Government Printing Bureau, Ottawa. It contains the names of more than 2,000 persons, principally in Europe, Latin America, Japan and China. The List is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain a copy of the Consolidation of the List and at the same time to arrange to receive revisions as published.

## **CONTROL OF EXPORTS FROM CANADA: SHIPMENTS VIA UNITED STATES PORTS**

In accordance with arrangements recently completed with United States authorities, Canadian firms shipping to navicert countries through United States ports are no longer required to apply for a United States export licence or a British navicert. Export permits issued by the Export Permit Branch, Department of Trade and Commerce, for shipments from Canada to navicert destinations will be honoured by United States customs authorities.

Exception is made for exports to Eire through United States ports. For these shipments a United States export licence must be obtained for those commodities which do not require a Canadian export permit when shipped to British Empire countries. However, a United States export licence is not required for those commodities for which a Canadian export permit must be obtained when shipment is to destinations within the Empire.

## **TARIFF CHANGES AND TRADE REGULATIONS**

### **Australia**

#### **ADDITIONAL IMPORT RESTRICTIONS EFFECTIVE APRIL 1**

The Canadian Trade Commissioner in Sydney, Australia, has cabled that new import restrictions which became effective on April 1 prohibited from importation, or placed under administrative control, a wide range of commodities from all sources, including both sterling and non-sterling countries. Details of the new restrictions are being forwarded by mail. The cablegram states that



articles affected of interest to Canadian exporters include: writing paper; printing paper; cream separators and parts; saws; files; adding and computing machines; tires; valves; cables; and covered wire.

When commodities are placed under "administrative control", no fixed import quota is assigned to them, but each application for licence to import such goods is referred to the central licensing authority for individual consideration on its merits.

### Southern Rhodesia

#### TARIFF SUSPENDED ON WHEAT AND OTHER GRAINS

By a notice published in the *Government Gazette* of February 6, the duty of 2s. per 100 pounds on imports into Southern Rhodesia of wheat and 1s. 2d. on imports of barley, buckwheat, oats, rye, kaffir corn, millet, and maize (2d. lower in the column of the tariff applicable to the United Kingdom and British Colonies) was removed as from January 1, 1942.

### Trinidad

#### REQUIREMENTS FOR BRITISH PREFERENTIAL TREATMENT OF MERCHANDISE SHIPPED VIA UNITED STATES

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, writes under date March 26, 1942, that, in order to facilitate the movement of merchandise from Canada to Trinidad via United States ports, the Trinidad Comptroller of Customs advises that he is prepared to accept for British preferential tariff purposes on such shipments the usual certificate of origin together with bills of lading endorsed by the steamship companies to the effect that the goods were received in bond at port of shipment. The goods must also arrive in Trinidad in their original Canadian packages.

### Jamaica

#### TONNAGE TAX IMPOSED ON IMPORTS

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports under date March 27, 1942, that, effective for one year as from April 1, 1942, a law has been passed to impose a tax on all merchandise (with stated exceptions) imported into that colony. This statute, styled the Tonnage Tax Law, replaces the Package Tax Law which was annually enacted and with which it is identical except as shown hereunder:

The rate on paint is changed from 1s. to 9d. per 112 pounds.

The former rates on unspecified packages were 2s. per package not exceeding 4 cwt. of 112 pounds, and, in the case of packages exceeding that weight, 2s. for the first 4 cwt. and 6d. for every additional cwt. or part thereof. The new rates are shown in the law as follows:—

	s.	d.
Every other package or article of a kind not specifically referred to in this schedule—		
1. Not exceeding $\frac{1}{2}$ cwt. . . . .	0	6
2. Exceeding $\frac{1}{2}$ cwt. but not exceeding 1 cwt. . . . .	1	0
3. Exceeding 1 cwt. but not exceeding 4 cwt. . . . .	2	0
4. Exceeding 4 cwt.: . . . . .		
on the first 4 cwt. . . . .	2	0
and on every additional cwt. or part thereof . . . . .	0	6

To the list of exemptions from tonnage tax are added animals and the produce of the Cayman Islands. Jamaica imports fair quantities of sisal rope from this territory.

The Package Tax Law expires on March 31, 1942.

## REGULATIONS AFFECTING COMMERCIAL TRAVELLERS AMENDED

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports under date March 27, 1942, that a law to amend the statute imposing licence fees on persons and firms engaged in business in that colony became operative as from March 18, 1942.

Of interest to Canadian exporters is the amendment concerning the tax of £25 a year payable by commercial travellers visiting Jamaica. The amount of this tax has not been changed, and it remains payable in a single sum; but whereas a commercial traveller's licence hitherto expired on March 31, irrespective of date of issue, it is now valid for twelve months from date of issue.

The principal law did not exempt from tax a visiting representative of a foreign firm having an established local agent; but latterly in practice no tax was levied in such cases in conformity with what was held to have been originally intended. This exemption is now regularized by a new definition of the term "commercial traveller", which is explicitly stated not to include directors, partners or whole-time employees of business houses abroad having in Jamaica established agents licensed under the law.

It is, however, provided that for an agent to be considered as "established" for the purposes of the law, notice of his appointment as such must be given the Collector General of Jamaica at least six months before the arrival in the colony of his principal or the latter's representative.

## Ireland

## SUSPENSION OF DUTIES ON DRY BATTERIES AND COPPER TUBING

Mr. George Shera, Office of the Canadian Trade Commissioner in Dublin, advises that, by two Orders of the Government of Eire, dated February 3, 1942, import duties were suspended until July 31, 1942, on dry batteries and component parts (excluding carbon rods, brass caps, and brass sockets), Reference No. 16 of the tariff, and on certain copper tubes, tubing, pipes and piping, Reference No. 63. The respective rates of duty applicable to these commodities were 50 per cent ad valorem and 75 per cent ad valorem, with no preferential rates.

## SUSPENSION OF IMPORT QUOTAS ON MOTOR-CAR AND BICYCLE TIRES AND TUBES AND ON RUBBER FOOTWEAR

Mr. George Shera, Office of the Canadian Trade Commissioner, Dublin, advises that, by an Order of the Government of Eire, dated February 5, 1942, the import quota restrictions on motor-car tires and tubes, bicycle tires and tubes, and rubber and canvas boots and shoes have been suspended for a period of six months as from February 10, 1942.

By virtue of this Order the foregoing goods may now be imported without quantitative restriction for the period stated.

## United States

## DUTY ON HERRING MILT 10 PER CENT AD VALOREM

The United States Weekly "Treasury Decisions" issued March 19, 1942, contains an abstract of unpublished Decision 50582(2), which changes the duty on herring milt from 20 cents per pound to 10 per cent ad valorem. The tariff items involved are:—

Para. No.	Rate of Duty
721d Caviar and other fish roe for food purposes: Other . . . . .	20 cts. per lb.
1671 Eggs of fish (except fish roe for food purposes) . . . . .	Free
1558 Unmanufactured articles not enumerated or provided for . . . . .	10% ad val.



Treasury Decision 50291 (2) published December 19, 1940, ruled herring milt under Paragraph 721d at 20 cents per pound.

The new ruling, revoking T.D. 50291 (2), appears as T.D. 50582 (2) in Weekly Treasury Decisions of March 19 and reads:—

Herring milt, although used for food purposes in the form of a sauce, was uniformly excluded from the meaning of the term "fish roe" in the trade at or just prior to the enactment of the Tariff Act of 1930. Accordingly, it is not classifiable under paragraph 721 (d) or 1671 of the tariff act. Not being specially provided for, it is dutiable at the rate of 10 per centum ad valorem as a nonenumerated unmanufactured article under paragraph 1558 of the tariff act. T.D. 50291 (2) revoked. Bureau letter to Collector of Customs, New York, N.Y., dated March 11, 1942.

## **Egypt**

### **OFFICIAL DEFINITIONS OF ALCOHOLIC BEVERAGES**

The Canadian Government Trade Commissioner's Office in Cairo, Egypt, has forwarded to the Department of Trade and Commerce copy of the Egyptian *Journal Officiel* of August 7, 1941, containing official definitions of alcoholic beverages for consumption in Egypt. For example, it is stated that the alcoholic content of whisky must not be less than 40 per cent of the volume, and it must be free from preservatives foreign to its nature or injurious to health. Whisky is otherwise defined as an alcoholic beverage obtained from the fermentation and distillation of a mash of grains, which must not lose the essential ingredients by distillation. Each quality must conform to its own characteristics and composition. Corresponding definitions are given with reference to wines, cider, brandy, rum, beer and gin. Further details of any of the definitions may be obtained on application to the Department of Trade and Commerce, Ottawa.

## **Syria and Lebanon**

### **IMPORT RESTRICTIONS**

The office of the Canadian Trade Commissioner in Cairo writes that they have been advised by the Department of Commerce of the Government of Syria and the Lebanon that importations of merchandise into Syria and the Lebanon from Canada and all other countries situated beyond Aden are subject to obtaining an import licence. Freight being limited, it has been necessary to restrict imports to merchandise absolutely necessary to the economy of the State, such as tires, spare parts for machines, chemical and pharmaceutical products, colouring material, and food products such as preserves of fish and meat, condensed milk, etc.

Syria and Lebanon are now in the sterling area. As the Exchange Office of Syria and the Lebanon does not possess Canadian dollars, payment for imports from Canada must be effected in pounds sterling through an account opened in London in the name of the bank or of the firm of the country where the beneficiary resides.

## **Bolivia**

### **ADDITIONAL TAX ON IMPORTS**

Mr. W. G. Stark, Assistant Trade Commissioner at Lima, Peru, advises that, effective January 1, 1942, an additional tax of 6 per cent is being levied on all imports into Bolivia. This additional tax is collected on the total value of the merchandise as shown in the consular invoice plus customs duties and taxes and an additional 30 per cent of these amounts to allow for freight, insurance, commission and estimated commercial profit.



# EXCHANGE CONDITIONS IN CUBA, HAITI, DOMINICAN REPUBLIC, PUERTO RICO AND UNITED STATES VIRGIN ISLANDS

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, April 1, 1942.—There are no official exchange restrictions of any kind in force at present in any of the above-named five countries which might affect the collection of bills drawn on importers therein by persons abroad. Foreign exchange is readily available for shipments from Canada.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 7, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, April 7, 1942, and for the week ending Monday, March 30, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 30	Nominal Quotations in Montreal Week ending April 7	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2284	.2284	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2631	.2628	—
Brazil . . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0573	.0573	3-4½
		Export	.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6328	.6329	4
Uruguay . . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5852	.5852	—
South Africa . . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	2
		Offer	3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

Acting Trade Commissioner. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1 *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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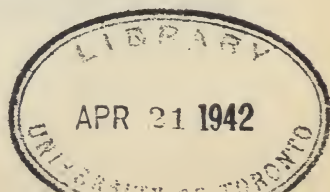
Ottawa, April 18, 1942

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L. D. WILGRESS, DEPUTY MINISTER



## MARKET CONDITIONS FOR MAPLE SUGAR AND SYRUP IN THE UNITED STATES

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, April 8, 1942.—The United States entered the 1942 maple syrup season with practically no carryover from the small 1941 crop. Harvesting of the 1942 crop is now under way, and first reports from the field indicate that weather conditions have been ideal and that there will be an abundant production of high quality syrup this year. It is anticipated that the crop will be larger than the 1930-39 average of 22,513,000 pounds in terms of sugar. Field prices are higher than they have been in the past few years, and a premium was being offered for the early supplies. There is no doubt that the higher field prices will be reflected in increased wholesale prices. Although the harvest will be larger this year, the trade anticipates a greater domestic demand and believes that the demand for Canadian supplies will be good, providing Canadian shippers are granted export licences to ship their product to this market.

### PRODUCTION

The following table shows the United States production of maple syrup and maple sugar and the average prices paid to farmers for the years 1939, 1940 and 1941, as prepared by the United States Bureau of Agricultural Economics:—

*United States Production and Prices of Maple Products*

	Sugar made 1,000 Lbs.	Syrup made 1,000 Gals.	Total Production as Sugar 1,000 Lbs.	Average Price Sugar per Lb. Cents	Syrup per Gal. Dollars
1939.....	760	2,515	20,880	28.8	1.68
1940.....	550	2,680	21,990	29.7	1.65
1941*.....	489	2,091	17,217	....	....

\* Average prices for 1941 are not available.

The foregoing statistics do not include quantities produced on non-farm lands in Somerset County, Maine; the 1940 estimate of the quantity was 36,000 gallons of syrup, while the 1941 estimate was 23,000 gallons.

One United States gallon of maple syrup is equivalent to eight pounds of maple sugar.

During the period 1939-41 the average number of trees tapped in the United States was about 10,349,000, while the annual average production in terms of sugar was approximately 20,028,000 pounds. Production of maple sugar in 1941 was one of the lowest on record and was due largely to the very short season in most of the producing states. The season opened late and closed rather abruptly, as unseasonably hot weather occurred in most sections early in April.

### PRODUCING STATES

United States production of maple sugar for the years 1940 and 1941 was 550,000 pounds and 489,000 pounds respectively, which was considerably under the 1930-39 average of 1,377,000 pounds. Vermont produced 278,000 pounds of maple sugar as against 268,000 pounds in 1940, while New York State produced 99,000 pounds as compared with 129,000 pounds in the previous year. The combined production of Vermont and New York accounted for 74.8 per cent of the United States production of maple sugar in 1941.

Total production of maple syrup in the United States in 1941, not including production on non-farm lands in Somerset County, Maine, was 2,091,000 gallons as compared with 2,680,000 gallons in 1940 and the 1930-39 average of

2,642,000 gallons. Production of maple syrup in Vermont, the leading producing state, was 822,000 gallons as against 1,080,000 gallons in the previous year and the 1930-39 average of 1,030,000 gallons. Production in New York State, the second largest producing area, amounted to 604,000 gallons of maple syrup as compared with 787,000 gallons in 1940 and the 1930-39 average of 733,000 gallons. In the State of Ohio, production of maple syrup totalled 323,000 gallons as against 332,000 gallons in 1940 and the 1930-39 average of 341,000 gallons. The combined production of Vermont, New York and Ohio accounted for approximately 80.9 per cent of United States production of maple syrup in 1941.

### IMPORTS

In the past the United States has found it necessary to import large quantities of maple sugar and syrup from Canada in order to meet the domestic demand for these products. Imports are principally of the commercial grades, for use in the tobacco, confectionery and blending industries.

The following table shows the United States imports of maple sugar and syrup from Canada for the years 1936 to 1941:—

#### *United States Imports of Maple Products from Canada*

	Lbs.	\$
1936 . . . . .	6,511,234	1,028,970
1937 . . . . .	6,134,362	933,299
1938 . . . . .	3,984,090	71,740
1939 . . . . .	12,268,376	1,766,794
1940 . . . . .	4,660,379	429,523
1941 (Jan.-Sept.) . . . . .	5,744,332	828,182

Imports of maple sugar and maple syrup in 1940 and 1941 were close to the 1934-38 average of 5,046,402 pounds, while the 1939 imports were more than double the average. The large 1939 imports from Canada were due to a small crop in the United States as well as to the decrease in import duty on maple sugar and maple syrup under the Canada-United States Trade Agreement, effective January 1, 1939. United States imports of maple products from Canada usually average about 25 per cent of the domestic United States production.

### PRICES

Prices being offered to farmers for maple syrup at present are higher than those prevailing during the past few years, this being attributed to the fact that there was no carryover of maple products from the small 1941 crop. At the beginning of the present season the following field prices to the farmers were posted: fancy syrup, 15 cents per pound; No. 1 syrup, 14 cents; No. 2 syrup, 13 cents; and No. 3 syrup, 12 cents. In addition, buyers offered a premium of 2 cents per pound over the above quotations in order to obtain the early harvest. However, while the above prices will likely hold throughout the season, the trade does not feel that the 2 cents per pound premium will continue much longer in view of the abundant crop and the fact that buyers are now receiving supplies.

Wholesale quotations have not been released as yet but, in view of the higher field prices as well as an expected heavy demand for maple products, there is no doubt that the wholesale prices will be increased.

### TARIFF RATES

Under the Canada-United States Trade Agreement of January 1, 1939, the United States rate of duty on maple sugar was reduced from 4 to 3 cents per pound, and the rate on maple syrup was reduced from 4 to 2 cents per pound.



## ECONOMIC CONDITIONS IN JAMAICA IN 1941

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, March 14, 1942.—Notwithstanding wartime trade restrictions, the total value of Jamaica's imports in 1941 was the highest reached in many years, and exports were maintained at a satisfactory level. The 1941-42 Christmas and New Year season was the best ever recorded for the local retail trade, due no doubt to the gradual growth of the colony's economic wealth and to its wider diffusion, in recent years, among a steadily increasing population. A striking feature of current Jamaican economic conditions is the amount of ready cash available in the community, as instanced by the considerable patronage of public amusements, including the government-licensed sweepstake and football guessing competitions. In 1941 donations to war funds aggregated £40,000 in round figures; the grand total to date is about £190,000. A 3½ per cent loan of £140,000 issued locally by the Jamaica Government was quickly and heavily oversubscribed.

The chief factors that have contributed to the above-noted result are: (1) the carrying-out in Jamaica of several large undertakings, involving building operations, in connection with the war, and of some others, notably land settlement, housing schemes and various other public works, including those to provide unemployment relief—the most important project of this type is the construction of the United States defence base, where some six thousand Jamaicans are employed; (2) the expenditure of £110,000 in the fiscal year ending March 31, 1942, for local defence purposes; (3) money remittances by Jamaicans working abroad to their relatives at home, the Panama Canal Zone being the locale of most of this overseas employment; (4) similar remittances by Jamaicans serving with the Canadian Active Service Forces and allowances granted their dependents by the Department of National Defence; (5) comparable financial benefits from the enlistment of Jamaicans in the United Kingdom forces and from the employment in various kinds of war work in that country of a fair number of skilled Jamaican labourers; (6) the settlement in the Island as permanent residents for the duration of the war of several hundred persons from Malta, Gibraltar, Britain and other parts of the Empire, who have in the aggregate considerable purchasing power; (7) the payment by the British Government of a large sum of money for bananas not shipped from Jamaica; (8) the advance since the outbreak of war of wages in many occupations—the question of wages in general has been reviewed by a government-appointed board, which has recommended further increases, and the Government has decided to grant, for the forthcoming fiscal year, cost-of-living bonuses aggregating £242,000 to its employees in the middle and lower grades.

Wartime restrictions on travel from the United States, from which country most of Jamaica's tourists came in normal times, and also from Canada, whence an appreciable tourist traffic to the colony had been developing, have brought about a decline in this invisible item of Jamaican export trade. The number of tourists who visited the Island in 1941 totalled 14,047 as compared with 15,147 in 1940, 49,906 in 1939 and 62,690 in 1938.

Shipping facilities to and from Great Britain and, more recently, to and from the United States have been considerably curtailed on account of wartime conditions, and the same also applies, although in less degree, to Canada, but air communication with the latter and also with the United States has been well maintained.

The tightening up of credit, enforced throughout 1940 by the large import houses following the adoption of a similar policy by their overseas suppliers, continued in 1941 with, on the whole, beneficial results. For some considerable time past there has been in Jamaica a well-marked trend towards a larger number of smaller failures; in 1941 not only was there a decline in total

liabilities, but the number of traders and private individuals concerned appreciably increased.

The four commercial banks operating in Jamaica continued to pay one per cent per annum interest on deposits and the Government Savings Bank pays two per cent, with an upper limit of £500 for any one account. The number of private accounts open in this institution at the close of 1941 was 201,700 with credits of £847,000 as compared with 192,000 (£728,000) in 1940 and 188,000 (£746,000) in 1939.

The 1941 figures are the highest yet reached. There are no corresponding particulars available concerning savings accounts in the four commercial banks established in Jamaica, but the total sum at credit is known to be considerable.

### TAXATION

Taxation was appreciably increased in Jamaica during 1941 by further advances in income tax rates and customs duties and also by the imposition of an excess profits tax similar to those in force in Britain and Canada, except that the Jamaican rate is one-third of the excess profits. It has been officially announced that this rate will be doubled in 1942 and that all other taxes will not be reduced below their present levels. Among other legislation enacted in 1941 was a consolidation of the excise tax laws and the bringing into effect of an up-to-date Customs Law, which had been passed in 1939 to incorporate several old statutes and to modernize customs procedure.

### LOCAL PRODUCTION

#### BANANAS

As previously reported during the year under review the Jamaica banana industry received from the British Government a substantial cash subsidy, determined towards the close of 1940, in consideration of the fact that imports of this fruit into Britain, the principal market, were then prohibited. This arrangement has been continued in respect of 1942. Practically no shipments of bananas had been made to the United States for some years, but changed conditions favoured the re-opening of this market in 1941 and the export thereto of substantial quantities of fruit. Of that year's banana crop about 10 million stems remained and these were disposed of in Jamaica.

#### SUGAR

Sugar cultivation continued to expand, the 1940-41 crop yielding 156,598 long tons as compared with 99,321 tons in 1939-40. The estimate for the 1941-42 season is 166,630 tons. Except for 17 tons, the entire export in 1941 was shipped to Great Britain and Canada, and all shipments reached their destinations. The British Government has bought the Jamaican sugar crop for the seasons 1939-40, 1940-41 and 1941-42, prices for the respective years being £11 5s., £12 12s. 6d. and £13 15s. per long ton c.i.f. British port. It will also buy the 1942-43 crop, for which no price has yet been fixed, but it has been officially announced for the guidance of planters that Jamaica may not be allowed to produce unlimited quantities of sugar after the war. Annual domestic consumption, including that of the colony's small dependencies, the Turks and Caicos Islands and the Cayman Islands, is about 16,000 tons. To assist the industry, prices of locally consumed sugar are officially fixed at figures considerably above the export value.

Much of the cane accounting for this increased sugar production was supplied by farmers selling to the factories under contract. These cane-farmers, of whom there are now roughly 9,000 in Jamaica, were recently organized into an association.

In July, 1941, a conference of representatives of the sugar industry in all the British West Indian colonies and British Honduras was held in Kingston. The conference covered the entire field of local interest in this industry and made proposals for co-operative effort by the several colonies.



## RUM

Rum, which is a by-product of the sugar industry, was distilled in the total quantity of 16,220 puncheons during the 1940-41 crop season, and the estimate for 1941-42 is 19,500 puncheons. Large quantities of this spirit, including purchases by dealers in the United Kingdom, have been stored in Jamaica since the outbreak of war, and the Government has lately provided additional warehouse accommodation. A puncheon holds from 105 to 110 imperial liquid gallons.

## CITRUS FRUITS

Notwithstanding unfavourable conditions citrus production has continued to increase. To date more than 33,000 young plants have been distributed from government nurseries, and 65,000 more are available for distribution. The growing of citrus is being encouraged in the new land settlements opened by the Government and also on land where bananas can no longer be cultivated on account of the prevalence of disease. The British Government has bought the citrus crop of the past two seasons, and shipments have been made mostly in the form of pulp, as shown by the heavy exports of "jams, jellies and preserved fruit" in 1941 noted below.

## COFFEE

The Jamaica Government took steps to improve the quality of the coffee shipped from the Island and regulations were made to ensure better curing, grading and packing of the Jamaican product. It is hoped that, as a result, Jamaican coffee will be better able to compete in export markets with that shipped from other countries.

## OTHER PRODUCTS

Production of the other staple items of Jamaican produce was, on the whole, maintained at a satisfactory level in 1941, and the growing of maize, which is ground into cornmeal for the domestic market at the government-owned mill, received special attention. Much was done to improve the quality of this cereal.

Although the Food Production Board ceased to function as an agency directly engaged in planting, its work was continued by the Lands Department, the Department of Agriculture, the Marketing Department, the Jamaica Agricultural Society and also by the Labour Department, the activities of which were and are co-ordinated by a Food Production Committee. Credit for farmers is provided through a comprehensive network of agricultural loan banks, controlled and financially aided by the Government. The purpose in view is to increase the domestic output of essential foods, especially corn, peas and potatoes, against a possible shortage of imported food supplies. Not only these products but also fruit and vegetables of many kinds are being raised in Jamaica in larger quantities than formerly, and farmers buying land under the Government's large settlement scheme, which has been operating for about two years, are given all possible encouragement in order to further the food-growing campaign. More interest is being shown in animal husbandry, in connection with which an association of cattle owners has been formed. The condensed milk factory, completed shortly before the outbreak of war by a world-wide organization under arrangement with the local Government, increased its output. Although production is not yet sufficient to meet the entire domestic demand for condensed milk, it is hoped that the appreciable imports now required will no longer be necessary in the near future.

Of special interest in connection with local production is the much larger output of lard and margarine, which are made from coconut oil and which not only meet a large portion of the domestic demand but also, as shown in the section dealing with exports, are shipped abroad in appreciable quantities, chiefly to nearby countries. The coconut crop in 1941 was below normal, due



to damage done plantations by a hurricane in the autumn of 1939, but production of both lard and margarine and also of laundry soap increased in 1941. It became necessary during that year to restrict exports of fresh coconuts in order to ensure adequate supplies of copra (i.e. dried coconut meat, containing the oil) to meet domestic needs of soap, lard and margarine.

Other local industries that have notably expanded under the stimulus of wartime conditions are lumbering and the manufacture of wooden furniture. In April, 1941, the Jamaica Government launched a scheme for the purchase and curing of locally grown lumber which, consisting mostly of tropical hardwoods, has the great advantage over imported supplies of being termite-proof. In normal circumstances imported lumber is considerably cheaper (in the past the local product has been scarce), and not much mill-work was done, with the result that sufficient supplies of standard sizes were not available. This drawback is being overcome, not only by government action but also by private enterprise. The Government recently erected a small sawmill; a fair-sized one, privately owned, has been operating near Kingston for some time past, and there are other smaller mills in the country districts. The Government Marketing Department purchases local lumber that is handsawn to specified standards, stores and cures it, and sells to builders and others. Nearly a million board feet have been purchased so far, and the demand exceeds expectations. Moreover, imported lumber has advanced in price to such an extent since the outbreak of war that locally produced hardwood now costs but little more, and most kinds are far more durable. Restrictions on imports of metal and other furniture have notably stimulated the local wood-working trade, which turns out a considerable variety of articles for household use.

Extensions to the Government's cornmeal factory were completed during the year under review, with an ensuing appreciable increase in the factory's production and storage capacity. The large supplies of bananas now available and the cessation of shipments of this fruit to Britain have reduced local consumption of cornmeal, of which, therefore, more than adequate supplies were available for use by the mill.

Satisfactory experiments having been made in the curing of bacon and ham, the production of these articles has been begun on a small scale by the Government Marketing Department and also by a private concern. Retail prices are somewhat lower than those of imported supplies, but the products are less delicate in flavour, and the scarcity of suitable hogs limits output. The Livestock Division of the Department of Agriculture is endeavouring to remedy this defect.

Another important development in local production is the manufacture of certain types of stock and poultry feeds. Feeds have been made in Jamaica for several years, largely from coconut meat from which the oil had been expressed and to which were added various other substances, but in 1941 experiments were conducted on a fairly large scale by the Department of Science and Agriculture. They proved successful, and feeds are now being mixed and distributed by the Government Marketing Department in conjunction with one of the concerns making coconut oil. By-products of the Government's cornmeal factory and the coconut oil factories are used as a base, and suitable local pulses and cereals are added. There is a considerable and growing demand in Jamaica for cattle feed, especially for dairying purposes, and the proponents of the scheme mentioned have in view a market of from 3,000 to 4,000 tons annually.

In 1940 the Government Marketing Department established a service for collecting locally caught fish at certain beaches on the southern coast of Jamaica. This was done mainly to assist fishermen who found it difficult to dispose of their catches. Trucks fitted with icing facilities are run twice weekly to buying centres. In 1940 the department rented storage space at a refrigeration plant in the city

from which government institutions are supplied and fish is sold both wholesale and retail.

Rope of good quality (but not for marine purposes), edible coconut oil, cassava starch, confectionery (mostly the cheaper grades), polishes, cosmetics and toilet preparations were among the items that continued to be manufactured in Jamaica during 1941. An export trade has been developed in the three last-named articles with neighbouring British colonies and other countries. The large plant built in 1940 by a private company for the purpose of making industrial chemicals from sugar-cane has not proved a success. Operations ceased last year, and the Government has bought the buildings for use as a rum warehouse.

#### GOVERNMENT MARKETING DEPARTMENT

As noted above, the Government Marketing Department has been active in increasing the production of fruits and vegetables, lumber, bacon and ham, fish, and feeds. This enterprising public body operates the government corn-meal factory, for which it purchased 367,460 bushels of maize during the spring and autumn harvests of 1941 at a cost of more than £104,000. The department also deals in potatoes and other fresh vegetables for the export as well as the domestic trade. During the spring of 1941 the department bought, graded and stored about 1,000 tons of potatoes. In the twelve months ended September 30, 1941, its total sales of locally grown fruit and vegetables amounted to about 3,000 tons worth approximately £39,000. It has supplied potatoes to neighbouring British colonies. Last year 184 tons of pulse crops, an increase over the quantity for the preceding year, were purchased by the department and stored for local distribution. On account of restricted export markets, most of the limes supplied to the department in 1941 were used to make oil. Shipments in the year ended September 30, 1941, totalled approximately 47 tons of limes and 4,970 pounds of lime oil.

In the year under review the department continued to be the sole shipper of fresh citrus fruit to all overseas markets. During the present crop season such exports are being limited to Canada and Bermuda, as the British Ministry of Food has undertaken to purchase from Jamaica 4,000 tons of bitter orange pulp, 6,000 tons of sweet orange pulp and 7,500 tons of grapefruit pulp, for use in making marmalade. In view of the magnitude and importance of citrus pulp production, technical advice in the matter was obtained from the United States, and a laboratory and inspection service established to ensure that the output would be of suitable quality. There are now four factories in Jamaica making pulp, and growers receive good prices for their fruit.

#### IMPORTS

The total value of Jamaica's import trade in 1941 was £6,517,435 as compared with £6,164,060 in 1940, £6,506,689 in 1939 and £6,485,221 in 1938. All values are c.i.f. Jamaica. The 1941 total is the highest reached in any year since 1929, when the corresponding figure was £7,027,013. These totals include imports by the Jamaica Government and the military authorities. The Government normally buys many kinds of goods in appreciable quantities for the use of its several departments, and war conditions have notably increased military requirements. It should be noted also that commodity values have risen considerably since 1938, the last pre-war year, when the total value of imports was not much lower than in 1941.

As the figures show, there was an appreciable decline in 1940 below the values for the two preceding years, due to the reduction in purchasing power caused by hurricane damage to banana cultivations in November, 1939. Although there were larger imports of some articles in 1941 than in 1940, 1939 or 1938, on the whole the colony's import trade has declined in volume as a result of wartime conditions. It is probable, however, that the total for 1941 was at least



equal to that for 1929, although the value in the latter year was appreciably greater, due to the all-round higher level of commodity prices then prevailing. On the other hand, Jamaica's population was appreciably larger in 1941 than in 1929. Details respecting countries of origin of the colony's import trade in 1941 are not available for publication.

As compared with 1940, imports under the six main groups of commodities increased in value in every case except "animals and birds not for food", which totalled £2,862 in 1941 and £3,397 in 1940, and "parcels post" (respectively £125,598 and £128,892). Imports of "food, drink and tobacco" rose from £1,668,249 in 1940 to £1,748,473 in 1941, of "raw materials and articles mainly unmanufactured" from £381,516 to £412,344, of "articles wholly or mainly manufactured" from £3,969,779 to £4,152,428, and of "bullion and specie" from £2,227 to £75,730.

Imports of cotton piece-goods, one of the largest items of Jamaica's import trade, increased from approximately 16 million yards in 1940 to 22 million in 1941, but flour, another such item, declined from a total of 462,990 bags valued at £449,983 in the former year to 369,499 bags (£412,239) in the latter. Wood and timber of all kinds (including shingles) represent another large item of Jamaican imports; their total value in 1941 was £220,736 as compared with £201,369 in 1940. A total of 520 motor vehicles were imported as against 535 in 1940. The value of imports of perfumery, cosmetics and toilet preparations totalled £46,000 in 1941 as compared with £34,000 in the preceding twelve-month period. Gasoline, tobacco, lubricating oil and canned meats likewise showed increases. Imports of boots and shoes were about the same as in 1940, when the total of all kinds was 132,808 dozen pairs valued at £226,219 c.i.f.

The increased import trade in 1941 has resulted in a larger yield of import duties and package tax than had been budgeted for. The estimated revenue from these two sources for the fiscal year ended March 31, 1942, was £1,357,250 and this has been substantially exceeded. However, in view of wartime conditions and especially of the present shortage of gasoline, which is normally a large source of customs revenue, it is not expected that the present abnormally high yield will be maintained in the forthcoming fiscal year.

## EXPORTS

Exports of domestic produce in 1941 totalled £3,801,092. The virtual total appreciably exceeded the figure named, because this does not include the amount paid by the British Government for the unexported portion of the banana crop, which was referred to previously. Details respecting countries of destination are not available for publication, but it is known that, as in 1940, the United Kingdom was the most important purchaser of Jamaica's products, Canada taking second place.

The chief items showing increases in 1941 as compared with 1940 were: cocoa, which rose from 2,038,553 pounds valued at £26,533 to 4,921,548 pounds (£90,983); jams, jellies and preserved fruit—consisting mostly of orange pulp—from £7,581 in value, with no quantities recorded, to 8,918,241 pounds (£74,227); grapefruit juice, from 71,430 gallons (£4,957) to 237,104 gallons (£20,153); orange juice, from 110,688 gallons (£6,388) to 118,447 gallons (£9,118); orange oil, from 61,330 pounds (£20,532) to 70,012 pounds (£70,787); sugar, from 81,469 tons (£848,431) to 137,352 tons (£1,585,000); cigars, from 39,513 pounds (£22,773) to 72,429 pounds (£46,435); lard, from 16,037 pounds (£455) to 228,779 pounds (£6,417); and margarine, from 85,707 pounds (£2,471) to 692,614 pounds (£17,170).

Exports of ginger and pimento decreased in quantity in 1941 as compared with 1940 but rose in value. Shipments of ginger totalled 2,376,919 pounds (£72,828) in 1941 as against 2,571,492 pounds (£46,797) in 1940, while those of pimento were, respectively, 3,246,994 pounds (£151,662) and 3,506,083 pounds



(£119,152). Exports of rum were 1,065,720 gallons in 1940 and 442,003 gallons in 1941, their respective values being £338,286 and £264,675. Declines below 1940 were recorded for: bananas, from 6,849,042 stems valued at £1,045,480 to 5,588,555 stems (£900,696) in 1941; dyewood extracts, from 23,741 hundredweights (£79,794) to 14,794 hundredweights (£39,789); and oranges, from 269,298 boxes (£103,896) to 85,484 boxes (£35,169). In 1941 a larger quantity of honey, but of smaller value, was shipped than in 1940, the respective totals being 2,350,538 pounds (£53,442) and 2,040,763 pounds (£61,459). Of the 1941 exports of rum, 287,289 gallons with a value of £117,926 were in puncheons or casks and 154,714 gallons (£146,749) in bottles. Corresponding figures for 1940 are not available. The appreciable proportion of bottled rum shipped in the former year was responsible for the increase in the value of this spirit, noted above; such rum is as a rule more mature than that shipped in wood.

### TRADE CONTROL

The system of trade control in Jamaica, which had been functioning since the outbreak of war, became more definite in 1941 by the issue in August of that year of comprehensive lists of articles (a) of which the importation into Jamaica was prohibited from all sources other than the British West Indies, only their domestic products to be allowed entry; and (b) articles of which the importation was made subject to quota, in addition to the licensing system which had previously been in effect and which continued to apply to each individual transaction. The quotas, which were based generally on individual merchants' importations of the goods in question during 1938 and which took into account the then countries of origin, acted to a certain extent as a brake upon purchases from Canada; but towards the close of the year the increasing difficulty of procuring essential supplies from countries within the sterling area brought about some relaxation in favour of imports from the Dominion. Actually, the total value of those imports was by far the highest yet reached in any calendar year.

Indirect means are also taken, when feasible, of restricting imports, especially from countries having currencies other than sterling. For example, in June last it was ordered that all white bread baked in the Island should contain 10 per cent of cornmeal in relation to the flour used, the purpose being to maintain consumption of cornmeal, which is locally manufactured. This order was afterwards extended to cover wholesale and retail transactions in flour, and provided in respect of soft-wheat grades, which are used mainly for household purposes and represent a fairly large trade, that in every wholesale and retail transaction there should be one part of cornmeal to two parts of flour. A similar provision was made in respect of retail transactions in baking flour, but for wholesale transactions therein the percentage of cornmeal was fixed at 10. Imports of flour in 1941 were appreciably less than those in several preceding years. Another instance of indirect trade control is in respect of newsprint; the Government has found it necessary to order a reduction in newspapers and other publications to about half their pre-war sizes. This has, however, only lately been done.

In August, 1941, a conference of British West Indian trade control authorities was held in Jamaica for the purpose of co-ordinating wartime trade and financial restrictions and establishing uniformity of procedure in the colonial group. It is generally believed that this step was taken in order to give effect to instructions, shortly before addressed to all Colonial Governors by the Secretary of State, that trade control in the Colonial Empire should be tightened up. In Jamaica, financial transactions with other countries continue to be strictly regulated.

Since that time the exigencies of war have necessitated a still more rigid control of imports. Under the system of priorities and export releases lately

applied in the United States, the Jamaican Trade Control Authority must issue essentiality certificates in order to obtain release of essential commodities from that country. A similar practice is followed in respect of imports of iron and steel and other metals from Canada and the United Kingdom. Recently, due to the Empire's shortage of oil and rubber, the sale of gasoline and tires has been rigidly restricted by rationing. The Food Controller fixes the prices of meat and generally of all essential foods. He is the sole buyer of flour and rice from countries of origin, and distributes the cornmeal ground at the government-owned mill. In 1941 these commodities had a turnover of approximately £700,000, and profits have been used to keep down the prices of other foodstuffs.

Jamaica's export trade is also controlled, in co-ordination with the requirements of the British Ministries of Food and Supply, primarily in order to use available shipping space to the best advantage. The purchase by the Food Ministry of 17,500 tons of citrus pulp from Jamaica, representing the larger portion of the present annual orange and grapefruit crop, is referred to above.

### TRADE OF BERMUDA IN 1941

D. S. COLE, CANADIAN TRADE COMMISSIONER

(£1 sterling equals \$4.47 Canadian)

New York, March 28, 1942.—The foreign trade of Bermuda for 1941, valued at \$11,385,565, showed an exceedingly large increase as compared with the 1940 figure of \$6,942,415 and was attributed chiefly to the establishment of United States military and naval bases on the Islands coupled with the large inflow of base workers and Army-Navy personnel. Tourist traffic from the United States and Canada to Bermuda has been so curtailed that it is now of very little consequence to the colony.

Imports, valued at \$10,826,814, increased by \$4,158,127, or 80.2 per cent, in 1941 as compared with 1940, while exports increased by \$185,023, or 49.4 per cent, to \$558,751.

During the past two years of the war Bermuda has been fortunate in being able to obtain her requirements from Canada and the United States without much difficulty. However, with the entry of the United States into the war and the requisitioning of shipping by the United States Government, there is a scarcity of bottoms, with the result that Bermuda will be able to import only those supplies that are essential.

#### BERMUDA IMPORTS BY COUNTRIES

The following table shows imports into Bermuda by countries of origin in 1941, with comparative values and percentages for 1940:—

#### *Imports into Bermuda by Principal Countries*

	1941		1940		
	\$	Per Cent of Total	\$	Per Cent of Total	Per Cent Inc. or Dec.
Canada . . . . .	2,513,803	23.1	1,590,113	24.2	58.8
United States . . . . .	5,158,666	47.7	2,680,333	40.8	92.5
United Kingdom . . . . .	1,917,599	17.7	1,493,735	22.7	35.6
British West Indies . . . . .	373,781	3.5	249,127	3.8	50.2
New Zealand . . . . .	218,216	2.0	109,202	1.7	100.0
South America . . . . .	346,228	3.2	269,393	4.1	65.4
Dutch West Indies . . . . .	152,427	1.4	*	....	....
Other countries . . . . .	127,651	1.2	165,618	2.5	— 29.7
Dutiable packets . . . . .	18,443	0.2	11,166	0.2	64.4
Total . . . . .	10,826,814	100.0	6,568,687	100.0	80.2

\* Not shown separately in 1940.



The foregoing table indicates that in 1941 Canada, the United Kingdom and the United States supplied Bermuda with 88·6 per cent of the total imports into that colony. Imports from Canada were valued at \$923,689 more than in 1940, while the value of receipts from the United States was greater by \$2,478,333, and that of imports from the United Kingdom increased by \$423,864.

### PRINCIPAL IMPORTS FROM CANADA

Details of imports from Canada into Bermuda for the calendar years 1941 and 1940, together with the percentage of the total value of each item that was accounted for by supplies from the Dominion, are shown in the following table:—

	1941		1940	
	\$	Per Cent of Total	\$	Per Cent of Total
Agricultural supplies—				
Boxes and material . . . . .	14,755	95.6	9,275	95.4
Bran . . . . .	23,754	100.0	21,182	100.0
Corn . . . . .	8,435	76.4	3,406	32.0
Cornmeal . . . . .	7,751	80.9	6,705	71.4
Fertilizer . . . . .	1,372	11.5	1,520	10.2
Grain, mixed . . . . .	182,412	93.1	107,664	70.6
Hay . . . . .	36,690	100.0	29,766	100.0
Oats . . . . .	107,141	100.0	86,852	100.0
Pollard . . . . .	35,250	100.0	21,237	100.0
Potato seed . . . . .	22,815	100.0	13,325	83.3
Beverages—				
Malt liquor . . . . .	2,327	3.6	6,231	4.7
Whisky . . . . .	42,671	27.0	3,290	7.6
Building materials—				
Cement . . . . .	4,278	9.8	13,540	42.4
Hardware . . . . .	81,546	21.6	52,049	26.6
Laths . . . . .	1,569	100.0	1,247	100.0
Lumber . . . . .	42,322	23.0	23,745	20.8
Millwork . . . . .	1,457	2.4	1,390	3.3
Paints . . . . .	37,552	36.3	22,766	41.6
Structural material . . . . .	4,305	7.8	2,476	7.4
Clothing—				
Boots and shoes, leather . . . . .	2,610	1.0	12,315	10.3
Boots and shoes, canvas . . . . .	13,549	43.4	6,955	71.4
Cotton clothing . . . . .	15,565	3.1	9,052	4.8
Cotton goods . . . . .	8,220	5.3	3,522	5.9
Rayon clothing . . . . .	9,955	10.0	7,541	15.7
Rubber goods . . . . .	7,778	23.5	3,321	20.4
Silk clothing . . . . .	9,342	34.9	11,716	54.1
Wool clothing . . . . .	2,056	0.1	1,408	0.9
Wool goods . . . . .	933	2.2	2,678	6.7
Drugs . . . . .	27,848	21.5	15,368	20.5
Toilet preparations . . . . .	10,737	13.7	7,760	10.7
Electrical supplies . . . . .	145,436	26.6	38,393	10.6
Fuel, gas . . . . .	4,707	26.8	4,385	33.1
Transport . . . . .	12,619	11.0	3,307	5.4
House furnishings—				
Carpets . . . . .	5,364	11.6	4,269	26.7
Furniture . . . . .	85,744	53.1	39,139	43.2
Glassware . . . . .	872	3.5	559	4.3
Stoves . . . . .	3,898	8.6	49	0.2
Marine supplies—				
Cordage . . . . .	5,771	32.6	.....	....
Miscellaneous—				
Bottles . . . . .	2,248	17.8	.....	....
Bottle caps . . . . .	4,756	20.2	2,025	16.1
Brooms and brushes . . . . .	10,710	35.3	6,803	48.7
Paper, wrapping . . . . .	25,023	50.8	19,319	47.7
Photo supplies . . . . .	8,886	18.9	3,639	30.6
Silverware . . . . .	2,825	15.0	1,243	12.0
Soap . . . . .	5,628	6.6	2,248	2.4
Stationery . . . . .	16,535	18.7	19,574	23.5
Unclassified . . . . .	82,065	15.2	26,681	11.3
Foods—				
Bacon . . . . .	10,822	12.2	10,308	17.5
Beef, canned . . . . .	44,007	20.4	4,375	3.6
Beef, fresh . . . . .	96,449	34.8	60,269	20.8
Beef, pickled . . . . .	41,164	53.6	27,853	56.3
Biscuits . . . . .	9,628	14.9	14,197	32.9
Butter . . . . .	12,315	5.0	79,761	41.8
Cheese . . . . .	39,171	68.2	40,717	90.9
Confectionery . . . . .	24,156	18.9	41,853	40.9



Foods— <i>Concluded</i>	1941		1940	
	\$	Per Cent of Total	\$	Per Cent of Total
Eggs .....	56,514	77.7	39,318	94.6
Fish, canned .....	19,073	30.7	17,902	36.3
Fish, fresh .....	2,615	74.7	961	68.6
Fish, smoked .....	55,240	99.0	39,322	99.6
Flour .....	113,726	86.8	107,311	90.9
Fruit, canned .....	26,784	34.4	14,000	45.3
Fruit, dried .....	3,455	10.0	1,395	4.9
Fruit, fresh .....	37,155	19.2	30,897	23.3
Groceries .....	200,810	45.4	93,709	36.2
Hams .....	25,363	30.5	9,780	16.5
Jams .....	1,685	4.4	2,821	12.3
Lard .....	2,606	96.5	1,877	35.0
Lard substitutes .....	35,072	69.6	23,137	53.6
Milk, canned .....	164,769	80.4	81,430	72.0
Mutton, fresh .....	27,245	29.1	20,209	23.3
Peas and beans, dried .....	501	2.5	1,815	10.2
Pork, fresh .....	1,332	23.0	1,971	4.7
Pork, pickled .....	2,843	31.4	3,487	38.0
Potatoes, Irish .....	12,193	40.9	12,261	100.0
Poultry and game .....	24,764	23.1	20,656	28.4
Salt .....	6,423	82.3	4,845	91.6
Tea .....	4,434	6.1	1,287	3.0
Vegetables, canned .....	95,596	74.8	32,765	82.9
Vegetables, fresh .....	15,131	21.4	10,411	25.0
Yeast .....	13,906	93.9	8,301	66.3

Under the classification "agricultural supplies", imports of all items from Canada, with the exception of fertilizers, have shown substantial gains over the 1940 figures. Receipts of bran, hay, oats, pollard and seed potatoes came entirely from Canada, while the Dominion was also the principal supplier of boxes and material, mixed grain, corn and cornmeal.

Imports of malt liquors from Canada declined by about 50 per cent from the figure for the previous year, while receipts of whisky increased by \$39,381 over the 1940 value of \$3,290.

Under the general heading "food supplies", the following exceptionally large increases were recorded: groceries (\$107,101), canned milk (\$83,339), canned vegetables (\$62,804), canned beef (\$39,632), and fresh beef (\$36,180). Receipts of pickled beef increased by \$13,311, eggs by \$17,196, smoked fish by \$15,918, flour by \$6,415, canned fruit by \$12,784, fresh fruit by \$6,258, hams by \$15,583, and lard substitutes by \$11,935. Smaller gains were recorded in the imports of yeast, fresh vegetables, salt, and poultry and game.

On the other hand, the value of imports from Canada of biscuits declined by \$4,569, of confectionery by \$17,697, and of butter by \$67,446. Smaller declines were shown in the receipts of cheese, jams, dried peas and beans, fresh and pickled pork, and Irish potatoes.

Under "building materials" substantial increases were recorded in the imports of Canadian hardware, lumber, and paints. Among miscellaneous products, imports of wrapping paper, brooms and brushes, photographic supplies, and soap showed substantial gains. Other items recording gains over the 1940 imports included drugs, electrical supplies, furniture, and canvas boots and shoes.

#### BERMUDA EXPORTS

The following table shows the values of Bermuda domestic exports, re-exports and total exports for 1941 as compared with 1940:—

#### *Bermuda's Exports*

	1941			1940		
	Bermuda Produce	Re-exports	Total Exports	Bermuda Produce	Re-exports	Total Exports
Canada .....	\$105,631	\$ 67,251	\$172,882	\$ 62,428	\$ 24,549	\$ 86,977
United States .....	62,428	251,004	313,432	37,190	153,009	190,199
United Kingdom .....	.....	.....	.....	139	.....	139
Panama .....	.....	3,353	3,353	.....	.....	.....
British West Indies .....	25,609	43,475	69,084	18,609	77,804	96,413
Total .....	\$193,668	\$365,083	\$558,751	\$118,366	\$255,362	\$373,728

The value of exports, including re-exports, from Bermuda for 1941 increased by \$185,023 or 49·4 per cent over the 1940 total of \$373,728. Exports to Canada accounted for 30·8 per cent of the total and to the United States by 55·9 per cent. Canada was the leading buyer of Bermuda products, taking 54·6 per cent of the total, while the United States purchased 31·9 per cent and the British West Indies 13·5 per cent. Of the re-exports from Bermuda, the United States took 68·7 per cent; Canada, 18·3 per cent; British West Indies, 11·7 per cent; and Panama, 1·3 per cent. During 1941 there were no exports to the United Kingdom.

The principal commodities exported to Canada during the past year included onions valued at \$36,728, carrots (\$31,217), celery (\$12,533), miscellaneous vegetables (\$3,281), bulbs (\$18,219), and plants and flowers (\$3,174).

#### CANADIAN AGENCIES

While at the present time there are 184 Canadian agencies in Bermuda, it is anticipated that this number may be reduced owing to the fact that many Canadian firms are no longer in a position to offer supplies for export and shipping space has become so limited.

Canadian manufacturers and exporters who desire information or assistance in connection with marketing their products in Bermuda are invited to communicate with the Canadian Trade Commissioner, British Empire Building, Rockefeller Center, New York, N.Y.

### NEW ZEALAND PRIMARY PRODUCTION PLANS FOR 1942-43

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, February 16, 1942.—An outline of the agricultural program for the 1942-43 season has just been announced by the New Zealand Minister of Marketing. This program has been drawn up by the National Council of Primary Production and is designed to meet the Dominion's requirements during the coming year.

#### GRAINS

As has been reported previously, the minimum acreage of wheat necessary to make New Zealand self-supporting is 300,000. This is the objective for the coming year, entailing an increase in area of approximately 42,000 acres as compared with the current season's. Not since 1933 has such an area been sown. In that year 302,000 acres were cropped, and more than 11,000,000 bushels were harvested. In every season since 1935 wheat has had to be imported.

In respect of oats, farmers have been urged to maintain plantings at least at the level of this season's (275,000 acres), and wherever possible to increase the production of oat chaff and oats, utilized mainly for home consumption.

Producers of maize are being asked to maintain their plantings to not less than 10,000 acres, which compares with 10,700 acres for 1941-42. It is estimated that this area is sufficient to render the Dominion independent of imported supplies. In regard to peas, the availability of shipping space will be the controlling factor so far as the export market is concerned, and farmers are advised to arrange firm contracts with merchants before deciding on the area to be planted.

#### FLAX

Under the terms of the Linen Flax Agreement with Britain, it was proposed to cultivate some 25,000 acres. The objective for 1942-43 is 35,000 acres, which will require an expansion in the districts suitably placed in relation to factories.



### GRASS SEED AND POTATOES

No objective was set in connection with growing grass and clover seeds beyond the recommendation to increase the areas planted wherever possible, in order to make the Dominion self-supporting and meet the demands of a growing export trade. This again will be affected by the amount of shipping that may be available.

Owing to the recent serious shortage of potatoes, farmers are being urged to plan, wherever possible, an increased acreage next spring. More onions are also required, and 1,000 acres are to be planted in comparison with 900 acres in the current season.

### LABOUR REQUIREMENTS

In order to ensure as far as possible the achievement of all objectives, the Government has made arrangements for providing labour for planting during the middle quarters of the year and for the subsequent harvesting. If this labour is not obtainable through ordinary channels, provision has been made to secure the assistance of the military authorities in supplying the necessary manpower. If petrol is available in the country, farmers are assured that sufficient supplies will be given them to carry out this work.

In addition it is the intention of the Government to organize, if necessary, the supply of essential machinery to enable all producers, and particularly farmers with small holdings, to harvest their crops with the minimum utilization of manpower.

## NOTES ON AUSTRALIAN TRADE AND INDUSTRY

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

### Tomato Crop Taken Over by Australian Government

Melbourne, February 12, 1942.—An order has been issued under the Commonwealth National Security Act requiring that all the tomatoes being produced in Victoria and the Murrumbidgee irrigation area in New South Wales be delivered to canners and food-processors only. The object of this order is to provide canned tomatoes for the fighting forces. The Minister of Supply explained that tomatoes are a vital factor in feeding the armed forces in the field and that it is necessary during the short tomato season to procure sufficient canned tomatoes to meet the needs of the navy, army and air force until the next crop comes on the market in approximately twelve months.

The price of the tomatoes to the canneries has been fixed by the Commonwealth Prices Controller at 3s. 9d. (approximately 67 cents Canadian) per case of 48 pounds, and it is considered that this price would provide growers with a sufficient margin of profit. Under the National Security (Prices) Regulations all Australian tomatoes produced in the current season have been declared commodities for price-control purposes.

Although enormous quantities of tomatoes are grown in South Australia and Western Australia, the regulations have not been applied to these two states, as they have not the canning facilities to handle the volume of tomatoes grown. Australian tomato canning capacity is concentrated in the State of Victoria.

### Timber Production in Victoria

In its annual report for the year ended June 30, 1941, the Forests Commission of Victoria states that the all-time record revenue from Victorian state forests during 1940-41, totalling £A325,500, is probably the best indication of the activity in timber production in Victoria during the year. The falling-off of timber imports, due to the war, coupled with the heavy demand for timber for military requirements, created an unprecedented demand for home-grown



timbers. This resulted in the output of sawn hardwood reaching the record figure of 136,631,192 super feet, an increase of 36,718,365 super feet, or 36·7 per cent, over the previous year's output. Of this total, 8,750,000 super feet of hardwood case logs were directly produced and marketed by the Forests Commission. There was an increase also in the output of pine timber from state softwoods plantations in the period under review, total production reaching 10,107,677 super feet as compared with 8,369,277 super feet for the previous year.

The output of hardwood poles showed a heavy increase for the year, the number of poles of the larger size totalling 28,770. This figure included 26,455 messmate and stringybark telegraph poles shipped to Egypt at the end of the previous year. Smaller poles to the extent of 289,316 lineal feet were sold, an increase of 209,042 lineal feet over the previous year's output. Many poles were directly produced and supplied by the Forests Commission to the military authorities.

Other forest products in heavy and increased demand included railway sleepers (an increase of 62,018 as compared with the output for 1939-40), piles (increase, 52,892 lineal feet), pulpwood (increase, 16,382 units), eucalyptus oil (increase, 93,010 pounds), and charcoal (increase, 685 tons). The Forests Commission report that the Railways Department agreed to accept white stringybark (*Eucalyptus eugenoides*) railway sleepers, which is expected to result in a much more intensive and extended utilization in sleeper-hewing areas in Gippsland.

The report shows that the demand for forest products of all types was well maintained, the major items showing heavy increases. It is considered that production could have been increased considerably had sufficient labour been available. The shortage of labour in all branches of the timber industry became progressively more acute and was responsible for the closing down of some plants and the working of others with greatly reduced crews.

The output of timber from privately owned lands in Victoria during the year under review is estimated to have been at least equivalent to the previous year's estimated production—30,000,000 super feet (Hoppus measure). Of this total, approximately 50 per cent would consist of hardwood logs and the remainder of softwood logs.

### **Renewed Production of Graphite in South Australia**

In the half-yearly mining review by the South Australian Director of Mines it is stated that the graphite deposit at Uley, South Australia, is being worked again after a long period of inactivity. The crude graphite-bearing material is being forwarded to Port Adelaide for concentration in a new plant that has been built for this purpose.

### **COMMERCIAL NOTES FROM INDIA**

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, February 23, 1942.—Following are brief notes on several aspects of the current economic situation in India.

#### **Canadian Trade with India**

The latest available data regarding Canadian trade with India relate to the eight months April-November, 1941, for which period the value of imports of Canadian goods reached the record total of Rs.43,447,227 as compared with exports to Canada valued at Rs.48,884,446. Both these figures were considerably more than 100 per cent higher than in the corresponding months of 1940.

Imports of Canadian goods have in the meantime undergone a marked decline, owing to a large extent to the restrictions and prohibitions imposed by

the Indian Government in September last against the import of numerous articles of Canadian origin. Export control regulations in Canada have had a similar effect. At present, the range of products which is available for export and which may be imported into this country is undergoing steady contraction, and the position, in a general way, is one wherein Canadian exports to the Indian market are comprised to an increasing extent of essential materials only.

### **Industrial Activity**

A record of industrial activity throughout India, maintained by one of the leading financial papers, indicates a progressive increase up to the end of November, 1941. At that time the general monthly index stood at a record high level of 129.6 as compared with 113.5 for November, 1940, and 121.4 for October, 1941. Raw cotton and electric power consumption and the output of jute manufactures, steel ingots and pig iron all showed considerable improvement both over the previous month and the corresponding month of 1940. There were slight declines in the output of paper mills and coal mines. Internal trade figures were higher than in any of the preceding six months, while bank clearings showed a large increase over totals for the previous two years.

### **Indian Aircraft Industry**

An aircraft assembly plant in South India, which has been engaged for some time in the production of two types of United States planes, using imported parts, has recently shown considerable progress in the output of most of the principal components required. It is stated that, with the exception of engines and instruments, practically all parts are now being manufactured locally, while plans are under way for the construction of additional types of planes for use by the Indian Air Force.

It is reported that a new plant is to be erected shortly for the manufacture of bombers and fighters for the British Government. No details of the scheme are yet available.

### **Motor Vehicle Assembly Plant**

A plant for the assembly of motor vehicles is being established at Karachi. The enterprise is under United States control and is said to be for temporary use only, while nothing more than assembly work will be undertaken. The vehicles produced will be shipped to Russia via Iran and to other adjacent points where they may be required.

It will be recalled, in this regard, that several industrial interests have proposed the development of a motor-vehicle industry in India. The scheme has, however, received little support and in view of the difficulty of securing trained personnel, equipment, and raw materials it is unlikely that any developments will be apparent for some time to come.

### **Bicycle Production in India**

An interesting example of industrial progress in India is given in the recent report that bicycles assembled in a local plant have been passed as suitable for army use. These goods have hitherto been imported in large quantities from the United Kingdom and Japan. Manufacture of all the component parts, except the free-wheel, chain, and hubs, has now been perfected. Military and civil demand is at present sufficiently keen to warrant an excellent start for this industry.

### **Railway Services**

Several reductions have recently been made in the number of passenger services operated by the Indian State Railways. The system is being adapted to meet military demands and those of essential industries as far as possible and at the same time to conserve locomotives and rolling stock pending the time



when replacements can be imported or manufactured in local plants more conveniently than at present.

### Petrol Rationing

The Indian Government has enforced drastic reductions in petrol rations as from January 1. At that date the value of coupons was reduced by half, and the basic ration available to the owners of Canadian or United States cars of standard type is now six gallons per month. It is reported that supplementary rations are to be limited as far as possible, and that the time may not be far distant when motor traffic will be limited to the requirements of essential services.

### Indian Wheat Crop

The first forecast of the Indian wheat crop for 1941-42 was issued on January 31. The area sown to wheat is estimated at 32,108,000 acres as compared with 32,811,000 acres in 1940-41. Combined with this reduction in acreage, insufficient rainfall in several wheat-growing districts may result in some decrease in output as compared with the previous crop of 10,005,000 tons. The outlook is, however, described as fairly good.

### Newsprint Control

Owing to actual and threatened shortage of newsprint supplies, the Government has taken steps to conserve available stocks and to ensure orderly distribution in future. In addition to limiting consumption to bona fide publishers, restrictions have been placed on the number of sheets of specified sizes which may be issued in newspaper form by publishers of various classes, while minimum prices at which these papers may be sold have also been fixed. Practically all the newsprint now being used in India is of Canadian origin. The trade could be expanded considerably if more shipping space were available.

## IMPORT TRADE OF ARGENTINA IN 1941

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### I

Buenos Aires, April 1, 1942.—Argentine imports of merchandise during 1941 were valued at \$362 million, which was 14·8 per cent lower than for 1940 and 10 per cent below the value for the pre-war year 1938. On the basis of volume the reduction in 1941 was 20·1 per cent from the figure for 1940.

Since the introduction of an import control system nearly ten years ago. Argentina has budgeted her foreign exchange resources to pay for imported goods both as to commodities and countries of origin. The import control system has been restrictive as between commodities for importation and selective as to the countries of origin of the commodities. The percentages of the total budget allocated, on a volume basis, to pay for the various groups of commodities imported between 1938 and 1940, together with the percentage decreases or increases in 1941 and 1940, are shown in the following table:—

### *Argentina's Budget for Imported Goods*

	1938	1939	1940	1941
		Percentage Distribution		Inc. + or Dec. — Per Cent
Foodstuffs . . . . .	7.16	6.95	6.17	— 23.3
Tobaccos . . . . .	0.98	1.20	1.03	+ 23.8
Beverages . . . . .	0.67	0.76	0.74	— 43.5
Textiles . . . . .	23.28	21.05	20.46	— 15.6
Chemicals . . . . .	5.11	7.09	6.82	— 4.8
Papers . . . . .	3.67	4.17	5.59	— 8.5
Woods . . . . .	4.63	6.13	4.62	+ 17.8
Iron and steel manufactures . . . . .	11.62	12.80	13.87	— 40.1
Machinery and vehicles . . . . .	17.12	11.20	8.03	— 48.7
Base metals . . . . .	4.19	5.21	6.45	— 0.2
Glass, stone, etc. . . . .	2.95	2.88	2.76	— 7.1
Fuel . . . . .	11.98	13.72	16.02	— 27.8

	1938	1939 Percentage Distribution	1940	1941 Inc. + or Dec. — Per Cent
Rubber and manufactures . . . . .	0.88	1.32	1.38	+ 19.1
Sundry articles . . . . .	5.76	5.52	6.06	— 41.4
Total percentages . . . . .	100.00	100.00	100.00	— 20.1
Total value in million pesos . . . . .	1,460	1,338	1,498	1,276

Argentina has therefore reduced the volume of her imports by 20.1 per cent in 1941, but for the machinery and vehicles group, which comprises largely automotive products and farm machinery from the United States, the reduction was 48.7 per cent in 1941.

#### ORIGIN OF IMPORTS

Continental European countries supplied 37.5 per cent of the import requirements of Argentina in 1938; this percentage was reduced to 5.3 in 1941, and comprised occasional arrivals of certain goods from Sweden and Finland—mainly wood-pulp—Switzerland and Spain.

The United States supplied 28.7 per cent of all Argentine imports as compared with 17.7 per cent in 1938. The corresponding percentages for the United Kingdom were 17.4 and 18.3. The other Latin American countries increased their shares from 14.7 per cent in 1938 to 32.1 per cent in 1941. Brazil was the principal supplier, with goods to the value of \$41 million in 1941.

#### IMPORTS FROM CANADA

The value of Argentina's imports from Canada of all commodities was \$7,172,000 in 1941, an increase from \$6,107,000 in 1940 and \$4,117,000 in 1939.

Newsprint represented approximately 67 per cent of the Dominion's total sales to Argentina in 1941 as compared with 60 per cent in 1940. On the other hand, farm implements had represented 19 per cent of total sales in 1940 but there was a decline to only 3 per cent for this item in 1941. Imports from Canada of commodities other than newsprint and farm implements were more than double the value for 1940. Seed potato shipments were valued at \$122,512 as compared with \$261,325 in 1940 and \$619,273 in 1939. The Argentine demand for seed potatoes varies from year to year depending on domestic production. Apart from newsprint, Douglas fir lumber, kraft paper, asbestos fibre, calcium carbide, and furs accounted for the principal increases in Canada's sales to Argentina in 1941.

These increases were achieved despite the continued severe restrictions in Argentina against the importation of any commodity that is not considered essential and the export control measures in effect in Canada to conserve needed war materials. The trade agreement signed between Canada and Argentina in 1941 removes the uncertainties which previously existed in the Dominion's trade relationships with Argentina.

#### FARM IMPLEMENTS

Farm implement sales in Argentina have been at a low level since the outbreak of the war. The purchasing power of the grain farmer has declined steadily, due to the reduced export movement of grain, and this position is reflected in the large unsalable surpluses of grain in the country. The Argentine Government has purchased the grain from the producers, but the guaranteed prices are too low to afford the farmer a sufficient margin to permit of purchases of new implements. Almost two-thirds of the implement sales are to tenant farmers, the remaining third being to the large landowners, or *estancieros*, and to the comparatively few small owners.

Argentina imports the major part of her farm implement and machinery requirements from the United States and Canada. There is some domestic manufacture of ploughs and certain other cultivating implements in Argentina, and some combines are also made, but most of the combines and the drills, mowers and other machines are imported from North America.



## MEASURES TO REDUCE IMPORTS

The Argentine Government discouraged the importation of new farm implements after August, 1939. It was only last year, when it was clear that the Argentine farmer could not buy implements in any quantity, due to lack of funds, and when difficulty was being experienced by the manufacturers abroad in getting sufficient steel to meet even the limited demand in Argentina that the restrictions were removed on the volume of implements entering Argentina. The first official limitation on imports was the establishment of a 100 per cent quota in 1939; this quota was reduced to 50 per cent for 1940. Implement imports were banned entirely during the first part of 1941, but later in the year the quantitative restrictions were removed entirely, when it was seen that they were no longer needed or effective, due to circumstances outside the direct control of the local authorities.

The official restrictions against imports of implements were imposed originally for the purpose of saving needed dollar exchange, and this purpose was later strengthened by the pressure of the increasing grain surpluses in Argentina. It was not considered necessary or advisable to make available to the farmer new implements which would be used to increase grain production. Farm implements and products of the automotive industry normally represented 40 per cent of all Argentine purchases from the United States and Canada. These two groups were therefore very important factors in the dollar position as between Argentina and the United States.

Early last year the Argentine Government set up a corporation for the promotion of trade. The dollar exchange arising from the sale of certain specified "non-regular" exports of Argentine products to North America are credited to this corporation. The corporation in turn allocates these dollars to pay for imports of automobiles and farm implements and a few other items. The purpose was to find a new market or expand the existing small markets for these Argentine products in North America by making the volume of American automobile and implement sales in this country directly dependent on the success of the sales promotion program. However, due to circumstances arising out of the war, North America has increased her purchases of these products very greatly, while it is impossible to deliver many automobiles or farm implements to Argentina. This situation has left the corporation with a large surplus of dollars.

In addition to the quota restrictions and the effect of reduced farm purchasing power in this country, implement sales have been restricted on account of the higher cost to the Argentine farmer. Farm implements enter Argentina free of customs duties. There is a special "additional" 10 per cent duty applicable to all imports, including farm implements. However, exchange rates are a more important factor than import duties in fixing landed costs. In 1937, farm implements could be imported into Argentina and paid for at an exchange rate of 3.20 to 3.24 Argentine pesos to the United States dollar; in 1938 the average rate was 3.30. In September, 1939, the rate was increased from 3.66 to 4.22, and in 1941 it was increased again to the present rate of 4.55 (a rate of 4.22 applies to parts). This represents an increase since 1937 of 40 per cent in the landed cost of the implements in terms of pesos in Argentina and a 25 per cent increase since 1939 due to exchange rates alone. The Argentine farmer sells his export grain and meats at 3.35 pesos to the dollar; the difference is a profit to the Argentine Government.

Since the exchange rates applicable on motor cars have largely followed the trend in the rates on farm implements, an American motor car valued at U.S.\$665 sold for 4,450 pesos in Argentina in 1938; in 1942, an American motor car valued at U.S.\$750 sells for 6,400 pesos. This represents an increase to the Argentine buyer of 44 per cent in the peso value as against an increase of 13 per cent in the dollar value.

In pre-war years Argentina imported an average of around \$11,000,000 worth of farm implements and machinery annually; in 1938 the imports exceeded \$17,000,000 in value. Imports were less than half this figure in 1939, and were reduced again to approximately one-third in 1940. The implement importers requested only \$1,800,000 in dollar exchange for purchases of implements and parts for 1941. There are no restrictions against imports now, but the figure will be small again for 1942. Only 284 imported harvester-combines were sold in Argentina last season, of which 124, or 44 per cent, were made in Canada. Between 140 and 188 locally manufactured combines were sold in addition to the imported machines. An estimated 2,000 imported combines and 800 tractors are being carried in stock by the dealers in Argentina. Some 80 combines were sold last season in Uruguay. All the grain crops in Argentina are harvested with combines. There have been no ordinary binders sold for many years, although Uruguay still uses a few of these.

The official figures covering imports of farm implements and machinery to Argentina since 1938 are shown as follows:—

*Argentine Imports of Agricultural Implements and Machinery*

	1941	1940	1939	1938
Ploughs, ordinary, unfinished . . . . .No.	....	47	353	226
Ploughs, ordinary, finished . . . . .No.	523	1,883	2,767	8,255
Ploughs, wheeled . . . . .No.	146	2,790	3,077	11,661
Plough-shares, unfinished . . . . .Cwt.	4	78	115	232
Plough-shares, finished . . . . .Cwt.	5,313	16,016	13,465	45,929
Plough repairs . . . . .Cwt.	7,443	15,445	17,358	56,500
Ploughs, n.s. . . . .No.	....	123	118	115
Fanning mills . . . . .No.	....	150	135	375
Mowers, including lawn . . . . .No.	1,055	1,045	1,590	1,663
Combine harvesters . . . . .No.	60	1,098	2,342	3,212
Corn-shellers . . . . .Cwt.	2,168	2,267	2,895	5,362
Corn-shellers, large . . . . .No.	7	1	2	4
Seeders, hand and plough . . . . .No.	....	332	601	2,222
Seeders, wheeled . . . . .No.	137	1,312	3,739	12,866
Rollers for vines . . . . .No.	197	454	863	1,064
Binders and headers . . . . .No.	208	1,596	2,126	3,016
Threshers . . . . .No.	1	3	181	138
Hay presses . . . . .Cwt.	1,212	1,554	2,264	3,542
Harrows . . . . .No.	234	1,670	3,507	7,899
Harrow teeth . . . . .Cwt.	38	2,788	6,158	7,674
Rakes, horse . . . . .No.	86	380	663	2,229
Tractors, wheeled . . . . .No.	366	934	1,070	5,041
Repairs and parts . . . . .Ton	1,485	2,635	2,979	6,173

NEWSPRINT

Argentina imported 148,331 tons of newsprint in 1941 as compared with 139,199 tons in 1940. Canada supplied 65 per cent; Newfoundland, 23 per cent; and Finland, 9 per cent of the imports in 1941. The Scandinavian countries supplied 64 per cent of the imports in the last full pre-war year, 1938.

The following table shows the trends in newsprint consumption since 1937. Argentina does not produce any newsprint. The local stocks at the close of 1941 were probably between 30,000 and 35,000 tons, but the greater part of this quantity was held by the two largest newspapers in Buenos Aires.

*Argentine Imports of Newsprint*

	1937	1938	1939	1940	1941
	Figures in Short Tons				
Canada . . . . .	71,253	39,765	35,965	80,161	96,624
Newfoundland . . . . .	.....	.....	1,701	20,313	35,110
United States . . . . .	.....	.....	113	640	1,021
Finland . . . . .	46,484	49,315	59,846	14,280	14,087
Norway . . . . .	35,661	22,041	21,106	12,605	.....
Sweden . . . . .	29,338	18,887	29,581	11,029	1,489
Germany . . . . .	3,055	8,770	12,493	171	.....
Others . . . . .	187	468	.....	.....	.....
Total . . . . .	185,978	139,246	160,805	139,199	148,331



The Argentine Government has recently issued a decree providing for official intervention towards meeting the shortage of newsprint supplies. The popular evening newspapers now generally comprise eight to ten pages instead of the normal fourteen pages. One of these newspapers has raised its street selling price by 50 per cent. A popular morning tabloid has doubled its street price in order to reduce consumption of newsprint by reducing its circulation.

The newsprint problem arises from the shortage of shipping space from New York. Unless more shipping space is made available, the Government will probably oblige the newspapers to effect more drastic economies in the near future. Several steamers carrying newsprint arrived direct from Finland early in 1941, but there have been no recent deliveries from that source. Swedish steamers have been arriving direct, but they have only carried a few small lots of newsprint for Argentina. Wood-pulp has been the principal cargo from Sweden. The outlook for Canadian newsprint sales to Argentina in 1942 depends almost entirely on the shipping space available to carry shipments from New York.

#### IMPORTS INTO URUGUAY

Imports of newsprint into Uruguay during 1940 and 1941 were as follows:—

##### *Uruguayan Imports of Newsprint*

	1941		1940	
	Tons	Per Cent	Tons	Per Cent
Canada . . . . .	10,834	77	6,739	48
Finland . . . . .	2,665	19	1,609	11
Sweden . . . . .	576	4	2,899	21
Norway . . . . .	....	..	2,565	18
Others . . . . .	....	..	232	2
Total . . . . .	14,075	100	14,044	100

The Uruguayan Government has recently issued a decree restricting the number of pages in newspapers to a definite number and stopping the issue of extra editions.

Canada received approximately \$5,374,000 for 107,458 tons of newsprint shipped to Argentina and Uruguay during 1941 as compared with \$4,345,000 for 86,900 tons in 1940.

#### WOOD-PULP

Although Argentina does not produce newsprint, 44,023 tons of wood-pulp for making other classes of paper were imported during 1941. Detailed imports of wood-pulp into Argentina in 1941 are not available, but total imports from all sources were 44,023 tons.

Imports by countries for other recent years were as follows:—

##### *Argentine Imports of Wood-pulp*

	1938	1939	1940
	Tons	Tons	Tons
Sweden . . . . .	24,859	32,704	16,964
Finland . . . . .	5,856	11,236	7,110
Norway . . . . .	3,947	2,211	1,401
United States . . . . .	229	272	11,543
Canada . . . . .	....	....	54
Germany . . . . .	3,433	1,010	12
Total . . . . .	38,324	47,433	37,184

Sweden was again the principal supplier of wood-pulp to Argentina in 1941, shipments being direct on Swedish steamers. These vessels are still arriving regularly at Buenos Aires. Canada supplied wood-pulp to a value of \$27,811 during the first half of 1941. The local paper-making industry has been operating almost to capacity since the outbreak of the war on account of the reduced imports of paper from abroad supplementing the imported pulp with

home-produced wheat-straw cellulose. Production of the various classes of paper in Argentina for 1939 and preceding years was as follows:—

*Argentine Production of Paper*

	1939	1938	1937	1935
Paper—		Figures in Short Tons		
Book . . . . .	19,105	18,150	16,528	16,311
Writing . . . . .	6,474	5,526	4,513	
Wrapping . . . . .	57,940	52,786	45,274	31,342
Linings . . . . .	2,144	2,999	2,629	2,831
Toilet . . . . .	2,632	1,439	906	873
Other . . . . .	6,339	6,039	7,928	881
Cardboard—				
Grey . . . . .	17,136			
Corrugated . . . . .	4,945	18,297	16,398	13,880
Leather . . . . .	1,288			
Other . . . . .	909			
Bristol in fine board . . . . .	5,001	5,790	4,975	4,665
Boxes and bags, etc. . . . .	4,885	6,553	4,579	3,100
Total . . . . .	128,798	117,579	103,630	73,883

The raw materials used by the local paper mills in recent years has been as follows:—

*Consumption of Raw Materials for Paper-Making*

	1939	1938	1937	1935
Cellulose—		Figures in Short Tons		
Domestic production . . . . .	23,038	16,276	2,006*	5,242*
Imported pulp . . . . .	33,333	29,501	47,913*	31,403*
Groundwood pulp—				
Domestic production . . . . .	2,649	1,342	.....	.....
Imported pulp . . . . .	12,166	13,647	.....	.....
Waste paper . . . . .	77,077	68,026	63,122	44,542
Rags . . . . .	1,316	1,569	2,032	377
Total . . . . .	149,579	130,361	115,073	81,564

\* Includes groundwood pulp.

*RAYON WOOD-PULP*

In 1941 Argentina imported 4,291 tons of wood-pulp for making rayon as compared with 1,795 tons in 1940 and 1,913 tons in 1939. The local rayon factory is the consumer and the wood-pulp comes from the west coast of the United States.

*WRAPPING PAPER*

Argentina imports heavy wrapping paper, largely for making cement and lime bags. Sweden has been able to forward about half her pre-war shipments during 1940 and 1941. Canada and the United States have been supplying a fair quantity of this paper during the past two years. Imports in recent years of wrapping paper weighing over 25 grams per square metre were as follows:—

*Argentine Imports of Heavy Wrapping Paper*

	1938	1939	1940	1941
	Tons	Tons	Tons	Tons
Sweden . . . . .	5,068	4,812	2,368	2,537
Norway . . . . .	697	279	240	.....
Finland . . . . .	90	347	808	1,035
United States . . . . .	387	318	2,151	1,641
Canada . . . . .	.....	.....	920	858
United Kingdom . . . . .	134	77	111	103
Other European countries . . . . .	1,764	656	632	10
Total . . . . .	8,140	6,489	7,230	6,184

The Argentine paper mills supply the greater part of the local requirements in all the ordinary qualities of wrapping paper. The large foreign firms import a certain quantity for their own requirements, and a small quantity



comes from Sweden. The value of Canadian shipments of heavy kraft paper to Argentina was \$64,710 in 1940 and \$45,203 for the first half of 1941.

Argentine imports of wrapping paper weighing less than 25 grams per square metre were as follows during the years 1938 to 1941:—

*Argentine Imports of Light Wrapping Paper*

	1938 Tons	1939 Tons	1940 Tons	1941 Tons
Sweden . . . . .	195	218	139	186
United States . . . . .	47	19	553	268
United Kingdom . . . . .	296	96	192	132
Norway . . . . .	247	239	91	....
Others . . . . .	783	690	443	21
Total . . . . .	1,568	1,262	1,418	607

PAPERBOARD

Argentine imports of rough paperboard have fallen to about one-third of the pre-war level. Finland was the most important supplier in 1941. In pre-war years that country was credited with meeting more than half the local requirements; Germany and Holland were the other principal suppliers. This classification includes the wallboards from Scandinavia, the United States and Canada. Wallboards from North America are now admitted into Argentina only at a very high rate of exchange, which makes the material very expensive. Imports of paperboard in recent years were as follows:—

*Argentine Imports of Paperboard*

	1938 Tons	1939 Tons	1940 Tons	1941 Tons
Finland . . . . .	5,489	5,201	3,184	3,970
Sweden . . . . .	1,381	3,365	1,813	552
United States . . . . .	698	701	1,955	933
Canada . . . . .	79	48	47	198
Others . . . . .	5,660	3,817	1,494	131
Total . . . . .	13,307	13,132	8,493	5,784

OTHER PAPER IMPORTS

Argentine imports of all other classes of papers during 1941 were about two-thirds the pre-war volume. The principal item is book paper, arrivals of which in 1941 were less than half the figure for 1940. The United States is now the principal source of supply. Imports of toilet paper, which come from the United States, have practically ceased since the outbreak of war. The local paper-making industry is again supplying the classes of papers that are not being imported from abroad. Imports of "other" papers in recent years were as follows:—

*Argentine Imports of Other Papers*

	1941 Tons	1940 Tons	1939 Tons	1938 Tons
Cardboard, reg. and fine. . . . .	2,460	4,118	2,435	3,413
Cardboard, prepared . . . . .	64	168	184	121
Bristol board . . . . .	705	2,074	2,164	2,080
Wrapping, waterproof . . . . .	7	97	101	172
Book paper . . . . .	15,732	32,210	25,366	24,535
Paper in blocks . . . . .	2	28	7	57
Cigarette paper . . . . .	536	766	807	892
Writing paper . . . . .	1	6	4	8
Toilet paper . . . . .	150	457	897	1,502
Blotting paper . . . . .	394	471	390	336

	1941 Tons	1940 Tons	1939 Tons	1938 Tons
Tissue paper . . . . .	96	116	146	198
Rolls, telegraph, etc., paper . . . . .	23	134	140	121
Pattern paper . . . . .	1	1	1	1
Filter paper . . . . .	50	73	63	70
Photo paper . . . . .	150	110	219	180
Ferro-prussic . . . . .	4	9	23	66
Carbon hand paper . . . . .	11	19	20	21
Carbon machine paper . . . . .	13	18	19	24
Cellophane . . . . .	661	902	568	531
Emery paper . . . . .	133	146	144	153
Total . . . . .	21,193	41,923	33,698	34,481

**WALLPAPERS**

The United Kingdom supplied 70 per cent of all the printed wallpapers consumed in Argentina in 1940. Canada and Norway supplied the plain wallpapers. The printed wallpapers have only been admissible to Argentina from Canada during the past six months. The United Kingdom was supplying this market during the early part of 1941. Shipments have been arriving from Canada during the past few months. The demand will be limited to some extent by the high rate of exchange applicable to wallpapers from North America as compared with the rate for those from the United Kingdom.

Imports of wallpapers in 1941 and preceding years were as follows:—

*Argentine Imports of Wallpaper*

	1941 Cwts.	1940 Cwts.	1939 Cwts.	1938 Cwts.
Base wallpaper . . . . .	1,341	2,645	1,132	2,668
Ordinary, printed . . . . .	5,172	13,531	11,880	17,789
Ordinary, gold, silver, bronze . . . . .	89	176	527	550
Stamped, imitation leather . . . . .	6	14	39	20
Stamped, imitation gold . . . . .	....	....	8	7
Total . . . . .	6,608	16,366	13,586	21,034

**CONTROL OF EXPORTS FROM CANADA: LIST OF AFFECTED PRODUCTS AMENDED**

By Export Permit Branch Order No. 32, effective April 9, 1942, an export permit is not required for casual shipments from Canada of ten gallons or less of maple syrup.

**TARIFF CHANGES AND TRADE REGULATIONS****British Honduras****IMPORTATION OF CALENDARS FOR 1943 PERMITTED UNDER LICENCE**

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that a notice published in the British Honduras official *Gazette* provides that calendars for 1943 that are supplied free of charge by foreign exporters and for which no payment from the Colony is required may be imported under licence. This permission does not apply to the importation of almanacs and booklets that advertise medicines and other types of merchandise and that include a calendar in their composition.



## United States

### DUTY-FREE QUOTA FOR RED CEDAR SHINGLES

In accordance with the Canada-United States trade agreement of November 17, 1938, and a United States Act of July 1, 1940, providing for exercising the right with respect to red cedar shingles reserved in this trade agreement, a Treasury Decision (50589) was published on April 2, 1942, announcing the extent of the duty-free quota of red cedar shingles for the calendar year 1942. The Canada-United States trade agreement of November 17, 1938, provided that Canadian shingles of wood enter the United States duty free, with the United States reserving the right to impose a duty, not exceeding 25 cents per square, on any red cedar shingles entered, or withdrawn from warehouse, for consumption in any calendar year after 1938 in excess of a quantity to be specified by the United States. The quantity so specified is not to be less than 30 per cent of the annual average for the preceding three calendar years of the combined total of red cedar shingles shipped by producers in the United States and of the quantity of such shingles entered, or withdrawn from warehouse, for consumption.

In accordance with the aforementioned Act of 1940, the United States Tariff Commission has ascertained and reported to the Secretary of the Treasury that the quantity of red cedar shingles entitled to exemption during the calendar year 1942 from the duty of 25 cents per square imposed by the Act of 1940 is 2,617,111 squares. The 1941 quota was 2,488,359 squares.

## Panama

### DUTY REDUCTIONS ON FOODSTUFFS

Customs duties in Panama on imports of certain foodstuffs were reduced by a decree of February 6, 1942, effective 60 days later. The reductions include the following:

	Former Duty Balboas per Kilogram Gross Weight	New Duty
Meat in brine or salted, corned, beef and similar preparations in containers up to 1 kilo . . . . .	0.30	0.05
Ham and bacon . . . . .	0.15	0.03
Unskimmed powdered milk . . . . .	0.15	0.05
Butter . . . . .	0.10	Free
Cheese . . . . .	0.20	0.05
Shrimps, dried or salted . . . . .	0.10	0.03
Eggs, fresh, salted or preserved, per dozen . . . . .	0.25	0.10
Onions, fresh . . . . .	0.03	0.02
Beans and peas . . . . .	0.05	0.01
Soup of all kinds . . . . .	0.05	Free
Tomato juice or cocktail . . . . .	0.30	0.01
Extracts of meat and similar concentrates for the preparation of soups . . . . .	15% ad val.	Free
Ordinary biscuits such as soda and saltines . . . . .	0.10	0.01
Fruit juices of kinds not produced in the tropics . . . . .	0.05	0.01

The balboa of Panama is equal to the United States dollar; one kilogram equals 2.204 pounds.

## Bolivia

### DUTIES ON CEMENT ABOLISHED

Mr. W. G. Stark, Assistant Trade Commissioner at Lima, Peru, advises that, according to reports from Bolivia, imports of Roman, Portland, hydraulic, clinker and similar cements into Bolivia have been made free of all taxes and duties as from December 9, 1941. These products were formerly dutiable at 1.10 boliviano per 100 kilograms, gross weight, plus a currency surcharge of 600 per cent of the duty, or about 8½ cents Canadian per 100 pounds.

## EXCHANGE CONDITIONS IN PERU

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, April 1, 1942.—The volume of dollar exchange available in Peru continues to be sufficient to meet commercial payments regularly. The bank rate of exchange for the Peruvian sol remains steady at 6·485 soles to the United States dollar for buying and 6·50 soles for selling. Taking into consideration the official rates as between American and Canadian dollars, approximately 5·85 soles equal one Canadian dollar, or one Peruvian sol is equivalent roughly to 17·1 Canadian cents.

There is no official import or exchange control in operation in Peru but, through a semi-voluntary system, Peruvian exporters, or banks acting on their behalf, hand over their foreign exchange to the Central Reserve Bank. The latter in turn allocates its exchange to the various commercial banks in a rough proportion between their normal dealings and present requirements. The Central Reserve Bank has been supplying funds from surpluses previously taken off the market, and Peru, as far as can be ascertained, has not yet drawn on the \$10,000,000 credit granted by the United States Export-Import Bank in December, 1940. Recently it has been reported that under the Lend-Lease Agreement signed with the United States, a loan, suggested to amount to \$29,000,000, has been made available for the purchase of defence equipment or for use in defence projects.

### TRADE SITUATION

In general the trade situation is relatively good, and Peru has been able to dispose of most surplus stocks of main crops. Additional quotas from the United States have been received for sugar, and the sale of metals to that country is progressing satisfactorily. On the other hand, there is some doubt as to the possibility of disposing of the forthcoming cotton harvest, although efforts are being made to secure a sizable outlet for it in the United States. Increased imports of certain commodities from Great Britain indicate a better demand for sterling with a corresponding reduction in the surplus of sterling exchange held by the Central Reserve Bank of Peru.

There is a steady demand for imported merchandise, although it is becoming increasingly difficult for traders to obtain supplies. This is brought about by export restrictions in the supplying countries as well as by a shortage of available shipping space. Some impetus is being given to the increase in inter-South American trade, and Peru is now drawing considerable supplies of manufactured goods from Brazil and Argentina. The generally favourable trade balance of Peru has been considerably augmented.

In view of the war and in conformity with a government decree requiring national banks not to bear names implying foreign interest and control, the Banco Italiano, one of the most important Peruvian banks, altered its name at a general meeting on January 17, 1942, to "Banco de Crédito del Peru"

### TERMS OF PAYMENT

Regarding terms, it is recommended that Canadian exporters require terms of cash against documents for their shipments and a letter of credit if the firm is not known to them. Ordinarily the latter arrangement is only accepted by importers under special circumstances but, due to the difficulty of obtaining goods from any source, traders are now more willing to comply. There is still a considerable volume of business being done on short credit terms of 30 to 90



days, but acceptance of these conditions is only advisable when the exporter has full confidence in the consignee's ability to pay.

When making quotations to Peruvian concerns it is recommended that shippers in Canada quote in terms of United States dollars, since, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This avoids confusion between the official and unofficial rates for Canadian dollars in terms of American funds, as well as assuring that prices are quoted in the medium of exchange that is most commonly used in this market. If quotations are made in Canadian dollars, a clear indication should be given of the exchange allowance granted to convert these offers into American funds.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 13, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 13, 1942, and for the week ending Tuesday, April 7, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 7	Nominal Quotations in Montreal Week ending April 13	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2284	.2282	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2628	.2631	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6329	.6336	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5852	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Truro, N.S.  
Windsor, N.S.  
New Glasgow, N.S.  
Quebec, P.Q.  
Montreal, P.Q.

Toronto, Ont.  
Chatham, Ont.  
Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.

St. Mary's, Ont.  
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St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
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Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Paper, Brown Wrapping.....	3821	Suva, Fiji.....	Purchase.
Woollen Pullovers, Men's and Boys'; Woollen Cardigans, Ladies'.....	3822	Dublin, Ireland.....	Agency.
Cotton Shirts.....	3823	Dublin, Ireland.....	Agency.



## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

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**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1941. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Annual Report of the Dominion Statistician. (Price 10 cents.)

Trade (Internal), prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

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### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

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*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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L. D. WILGRESS, DEPUTY MINISTER





## FISH MARKETS IN CUBA

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### I

Havana, March 15, 1942.—Previous reports on the market in Cuba for fish have dealt almost exclusively with dried codfish, the only item in which Canada has ever obtained any appreciable share of the imports. The current report, besides bringing up-to-date the codfish situation, will review the basic conditions affecting the importation of all types of fish and shellfish, dried, smoked, pickled, fresh, frozen, and canned or otherwise preserved.

Information with respect to certain basic factors and general principles, such as ports of entry, distribution centres, routing of shipments, representation and customs tariff treatment, which affect all import categories, is available in the pamphlet entitled "Points for Exporters to Cuba", copies of which will be supplied to interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa.

### EFFECT OF CUSTOMS TARIFF

In appraising the trend of fish sales to Cuba over the period of years herein reviewed, the influence exercised on sales in that period by varying tariff treatment, as well as by the economic situation, must be kept in mind if a proper understanding is to be obtained of the marked variations in the sales of particular items from year to year. Whereas the annual sales by all of Cuba's principal suppliers of fish were affected more or less in the same ratio by prevailing economic and political conditions in the several years under review, only Canada was affected adversely, in any appreciable degree, by varying tariff treatment. An explanation of the nature of the Cuban tariff is given in the above-mentioned pamphlet. Certain peculiarities in the statistical recording of the imports of the various types of dried fish are directly traceable to the fact that the tariff rates in recent years did not remain constant, the rate for codfish always excepted, but changed periodically in accordance with the workings of Cuban Law 14, explained under the heading "Customs Tariff" in the pamphlet "Points for Exporters to Cuba".

Law 14, which went into force in March, 1935, automatically allotted rates of duty to all countries, treaty countries excepted, in accordance with the ratio of purchases from and sales to Cuba. Also excepted were certain "articles of prime necessity", of which "bacalao" (chiefly codfish but including pollock also) was one, and which, whatever their origin, were to be assessed under the rates of the minimum (now called general) tariff column. Accordingly throughout this whole period codfish has been constantly accorded the lowest duty rate (the United States having a 25 per cent preferential discount therefrom), whereas the rates on the remaining types of dried salt fish such as haddock, hake and cusk, all smoked and pickled and all canned or otherwise preserved fish have varied from year to year. The fact that there are appreciable differences between the basic duty rates applicable to codfish, haddock and hake, for example, tended in the higher-duty years to encourage misdescription on customs entry and clearance forms in order to secure the entry of shipments at the lower duty rates. Important statistical increases occurred in low-duty years in types of fish carrying the lower rates and conversely in the "bacalao" item in high-duty years. Since Law 14 went into force in 1935 the tariff allotted to Canada was as follows for the periods mentioned: March, 1935, to March, 1936, general tariff; April, 1936, to March, 1938, maximum tariff; April, 1938, to March, 1939, general tariff; April, 1939, to March, 1940, general tariff plus 25 per cent; April, 1940, to March, 1942, general tariff.

The rates of the maximum tariff column are double those of the general tariff column. Of the other chief suppliers of fish in all categories, no tariff change which affected its fish trade was experienced at any time by the United States, the United Kingdom, Spain, France, Iceland, and Newfoundland. Norway was on a maximum tariff basis from April, 1935, to February, 1937, which adversely affected its bloater trade. The canned fish trade of Portugal and Italy also suffered for the same reason over varying periods since Law 14 went into force.

In addition to the rates now in force, which will be specified later in discussing individual fish products, a surtax of 20 per cent of the basic customs duty and of all other taxes applicable to imported goods from all countries had been levied in Cuba since September, 1941. However, certain fish products of United States origin are by treaty exempt from this surtax. These are pickled mackerel, fresh and dried oysters, and shellfish; canned or otherwise preserved sardines with bones, salmon, oysters and fish and shellfish not specifically classified elsewhere.

### PREVIOUS REPORTS

Several reports on the dried fish trade of Cuba have been published in the *Commercial Intelligence Journal* in recent years. These contain valuable information on the basic factors affecting the fish trade of this country. They should be read in conjunction with this report, as the information they contain will not be repeated here. These reports, with the dates of publication in the *Journal*, are as follows: Cuban Market for Dried and Salted Fish (May 25, 1935); Market for Codfish in Cuba (April 4, 1936); Market for Dry Salt Cod in Cuba (September 28, 1940).

In addition there have also been published in the *Journal* at monthly intervals since March, 1941, reports on market conditions or the current situation in the dried-fish trade. An extensive report entitled "Reports on Markets for Dried and Pickled Fish", prepared by Messrs. O. F. Mackenzie and F. H. Zwicker, was published in 1938 by the Ministry of Fisheries, Ottawa.

### POLITICO-ECONOMIC TREND IN RECENT YEARS

The political and economic situations prevailing in Cuba during the past ten or twelve years, because of their marked effect on the purchasing power of the people, greatly influenced the sale of fish of all kinds. Of these the most important economic factor was the annual value of the sugar crop, and the most important political factor was the 1933 revolution, with its related disturbances in the years both preceding and succeeding it. In recent years the high point of the graph lines or curves of the main factors influencing Cuban economy was located in 1927. From that year onwards these curves show a continuous and very rapid fall until the low point in 1933 was reached. This point coincides with the revolution which broke out in August of that year, but which was preceded by two revolutionary attempts from 1930 onwards. It is significant that what was little less than an economic debacle started some two years before the 1929 depression first struck the rest of the world. However, the rapidity of the downward skid was considerably accelerated after 1929, and there is little doubt that the ensuing political disturbances were the result of this economic dislocation.

The violence of this is illustrated by a few figures. Total Cuban exports in 1933 were valued at only some \$84 millions as compared to \$324 millions in 1927 and \$186 millions in 1937, which was the best year experienced in Cuba since 1930. Total imports similarly were only some \$42 millions as against \$257 millions and \$129 millions in 1927 and 1937 respectively. The 1933 imports were the lowest in value since before Cuba became an independent republic previous to 1900, and the exports the lowest since 1903, with the exception of 1932 when they were only some \$80 millions. As is well known,



Cuba's purchasing power depends on its sugar crop. In this period the curve of the value of the sugar crop has a remarkable affinity for the import curve. This has continued almost up to the present year despite the diversification of agriculture which has taken place on a small scale and the development of the mining industry. The value of the sugar crop in 1933 was only some \$43 millions as against almost \$267 millions in 1927 and \$117 millions in 1937. There was a similar trend in respect to the tonnage of sugar produced and the average sugar price. The latter reached its lowest point in 1932, when it averaged for the year only 71 cents per 100 pounds. This was the lowest average annual price as far back as statistics are available, viz.: 1885.

From the low point in 1932-33 a gradual economic improvement occurred until 1937, at which time a further recession took place that lasted until the end of 1940. The outbreak of the war in 1939 had a temporarily depressing effect that continued until the first few months of 1941. It was only when it became apparent that a sugar shortage in the United States was impending, because of the inability of distant countries to move their sugar to the United States market, that a revivification of Cuban economy took place. The official sugar crop for 1941 was the lowest, that for 1933 excepted, since 1912. In spite of this, however, the United States demand for sugar made it possible to dispose of the whole of this crop plus all accumulated sugar reserves and, in addition, large amounts of syrups. The big factor in the recovery of this industry in 1941 was, nevertheless, the greatly improved price at which the crop was sold. Whereas a few months previous to this sales contract sugar had been sold at prices as low as 70 cents per 100 pounds f.o.b. Cuban ports, the contract price was finally set at \$2.65 on the same basis. The result was that economic conditions in Cuba improved immeasurably in the latter part of 1941, and there is every indication that this improvement will continue for at least the duration of the war.

Heretofore fish imports have depended to a large extent, as in fact have all imports, on whether the sugar industry was or was not in a healthy condition. The prospect in this respect for 1942 would seem to be very favourable. However, a highly unfavourable factor which makes an increase in fish sales very doubtful is the heavy increase during the past nine months in the prices of fish of all kinds, particularly dried and smoked fish.

#### DRIED, SALTED, SMOKED, PICKLED AND FRESH FISH

A general picture of the import trade in dried, salted, smoked, pickled and fresh fish is given in the following table covering the years 1933 to 1941, including the revolutionary period and the war years up to the present:—

##### *Cuban Imports of Dried, Salted, Smoked, Pickled and Fresh Fish*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Codfish, stockfish and pollock, dried, salted. Kg.	4,490,413	4,674,649	7,021,789	6,861,802	8,072,093	7,912,356	6,982,529	5,380,016	2,828,610
\$	411,888	585,123	840,622	732,705	929,965	938,485	753,924	637,440	530,870
Sardines, dried and pressed. . . . .Kg.	.....	16,918	58,561	135,027	37,439	20,561	11,638	5,202	18,307
\$	.....	2,511	8,059	12,382	4,914	2,547	1,218	893	2,941
Haddock, mullet and skate, dried, salted. Kg.	11,350	30,473	702,078	1,278,365	64,927	27,192	12,261	6,492	31,775
\$	1,259	3,215	71,713	102,707	6,312	3,173	1,185	941	5,332
Hake, dried, salted. Kg.	4,460	235,255	102,967	44,916	32,423	42,718	20,936	61,628	62,464
\$	536	25,568	10,988	4,099	3,714	4,305	1,697	8,716	10,010
Other fish, n.e.e., dried, salted. . . . .Kg.	19,762	63,809	68,294	32,637	44,000	206,974	237,883	261,076	177,090
\$	2,289	7,729	11,116	3,974	7,076	24,474	30,356	30,971	30,353
Herring, smoked, salted, in brine or pickled. Kg.	444,990	1,211,471	1,237,791	1,121,474	768,951	673,232	383,820	136,337	112,328
\$	21,743	60,268	63,657	57,749	43,737	40,881	23,709	13,445	16,922
Mackerel, in brine, pickled or salted. Kg.	697	413	17,644	4,085	13,860	6,081	1,205	1,589	91
\$	54	59	2,670	676	2,102	750	133	283	31
Salmon, smoked, salted or pickled. . . .Kg.	77	302	362	899	695	10,354	686	820	309
\$	23	75	160	494	321	1,022	436	579	264



	1933	1934	1935	1936	1937	1938	1939	1940	1941
Oysters and other shell-fish, dried or fresh...Kg.	74,109	124,605	184,608	139,361	148,165	162,883	167,771	167,821	102,137
\$	45,873	38,762	61,036	54,456	58,416	59,309	58,749	62,066	49,454
Fish, fresh . . . . .Kg.	88,264	23,387	56,841	73,654	30,556	62,934	99,022	66,271	30,700
\$	6,426	4,542	7,880	9,566	7,370	12,263	12,064	9,354	6,051
Total weight . . .Kg.	5,134,122	6,381,282	9,450,935	9,692,220	9,213,109	9,125,285	7,917,751	6,087,252	3,363,811
Total value . . . . . \$	490,091	727,852	1,022,454	978,808	1,063,927	1,087,209	883,371	764,688	652,228

In the foregoing and succeeding tables weights are given in kilograms (of 2.2 pounds) and values are in Cuban pesos, the peso being equivalent at par to the United States dollar. There was, however, an average annual discount on the peso as follows: 1937, 0.9 per cent; 1938, 1.9 per cent; 1939, 7.2 per cent; 1940, 9.8 per cent; 1941, 2.7 per cent; 1942, premium up to 0.5 per cent.

This peso depreciation, in the years in which it was current, reduced proportionately the true value of the imports of fish products, and by taking it into consideration a clearer idea of the purchasing power of Cuba will be obtained. No account has been taken of the change in the world price level in the period reviewed.

The serious disruption of Cuban economy centering in 1933 and the subsequent improvement in succeeding years are apparent from the foregoing import figures. Starting in 1939, a curtailment of imports is again evident. This can be traced to the nervousness existing in all world markets resulting from German military manœuvres on the Continent and to the consequent slump in sugar prices. The subsequent decline was considerably aggravated in 1940 and 1941 by the shortage of and heavy increase in the prices of fish products of all kinds and by the gloomy outlook in the sugar industry during the earlier war years resulting from the loss of European markets.

In the Cuban fish trade as a whole there are only two outstanding items: "bacalao" and canned sardines. In the years under review bacalao accounted for from 75 to 90 per cent of the total imports of the uncanned varieties of fish and for between one-half and two-thirds of the total imports of all fish and fish products.

Apart from the main economic factors already discussed that affected the fish import trade, there are one or two others of narrower scope that influenced certain varieties and which will be discussed below under the individual items to which they refer.

#### CODFISH, STOCK FISH AND POLLOCK

The term "bacalao", as used in Cuba, has no precise definition among fish consumers but is rather loosely held to include most kinds of dried salt fish. However, in 1939 the Cuban customs authorities gave a more precise definition, for customs purposes, to this term and ruled that "bacalao" would henceforth include only dried salt codfish, stock fish (the name commonly used for Norwegian codfish) and pollock or coal fish. In this connection attention is directed to the article on the tariff classification of dried salt fish in Cuba, published in *Commercial Intelligence Journal* No. 1842 (May 20, 1939), page 767. This article describes the species of fish and the types of cures that come under each tariff item, and a study of it will give a clearer idea of what kinds of fish are included in the various sets of import figures quoted in this report. The only change therein is that no canned fish of any kind is dutiable under the tariff items covering dried, smoked, pickled or similar fish. The bacalao item also includes "zavor", which is a sun-dried, unsalted stock fish, and the type known as "saihe", both of which come from Norway.

Whereas up to 1939 most types of fish were entered for customs clearance just as they were invoiced, a fish expert was charged thereafter with the proper classification of the various types of fish of this kind in order to prevent high-duty fish from being entered for clearance as fish of a type carrying a lower rate of duty. Accordingly the import statistics are much more dependable

since that time than they are for previous years. Nevertheless there has been some abnormal statistical fluctuation in the normal imports of certain types of fish resulting from customs duty changes in 1939.

The previously published reports, referred to above, on the Cuban codfish trade in recent years explain all the basic factors affecting this trade, and they should be consulted.

The following table shows the quantities, values and origins of the "bacalao" imported into this country during the years 1933 to 1941:—

*Cuban Imports of Dried Salt Codfish, Stock Fish and Pollock*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Canada . . . . .Kg.	1,180,989	1,531,414	2,304,102	2,248,846	1,946,136	1,698,336	1,589,142	1,338,254	2,036,953
\$	101,143	208,553	285,095	219,439	248,044	208,561	167,653	166,241	381,297
Newfoundland . . . . .Kg.	.....	.....	.....	408,625	638,819	1,189,321	978,608	1,269,719	482,878
\$	.....	.....	.....	36,133	74,639	128,241	96,340	143,474	78,129
Iceland . . . . .Kg.	.....	.....	.....	330,675	1,375,180	1,161,449	901,113	987,900	166,757
\$	.....	.....	.....	36,341	141,861	128,332	93,681	98,219	35,439
Denmark . . . . .Kg.	3,514	9,483	125,933	447,786	2,279	.....	1,980	.....	782
\$	724	3,001	17,372	41,711	190	.....	253	.....	99
Norway . . . . .Kg.	3,071,428	2,746,170	4,260,159	3,122,984	2,931,519	2,614,552	2,546,145	1,004,564	.....
\$	286,374	327,614	495,322	362,985	356,764	336,919	300,240	116,958	.....
United States . . . . .Kg.	10,805	8,907	10,527	42,227	44,740	19,818	12,642	49,596	93,389
\$	1,521	1,188	1,933	5,507	5,953	4,039	3,730	10,390	25,452
United States* . . . . .Kg.	.....	.....	.....	.....	.....	.....	1,251	1,555	41,734
\$	.....	.....	.....	.....	.....	.....	129	253	9,403
United Kingdom . . . . .Kg.	188,518	370,128	302,441	249,898	1,128,791	1,204,894	926,253	695,713	2,034
\$	17,952	42,987	37,266	28,402	102,179	129,631	89,026	95,657	453
Holland . . . . .Kg.	12,303	1,458	.....	2,484	.....	3,445	25,395	6,840	.....
\$	1,031	187	.....	332	.....	325	2,872	541	.....
Spain . . . . .Kg.	6,035	4,614	6,320	4,596	.....	.....	.....	.....	17
\$	1,452	1,331	1,648	1,476	.....	.....	.....	.....	9
Sweden . . . . .Kg.	16,821	.....	2,502	3,681	.....	.....	.....	.....	.....
\$	1,691	.....	365	379	.....	.....	.....	.....	.....
Japan . . . . .Kg.	.....	.....	1,273	.....	4,256	.....	.....	.....	4,066
\$	.....	.....	184	.....	316	.....	.....	.....	589
Other countries . . . . .Kg.	.....	2,475	8,532	.....	373	20,541	.....	25,875	.....
\$	.....	262	1,437	.....	22	2,437	.....	5,707	.....
Total weight . . . . .Kg.	4,490,413	4,674,649	7,021,789	6,861,802	8,072,093	7,912,356	6,982,529	5,380,016	2,828,610
Total value . . . . .	411,888	585,123	840,622	732,705	929,965	938,485	753,924	637,440	530,870

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The effect of the political disturbances of 1933, which caused a sharp drop in Cuban purchasing power, is apparent from the foregoing table. Also evident are the effects of the poor returns from sugar in certain years and of the very heavy price rise in codfish in 1941. Codfish has always been a staple article of diet in Cuba, but in years of low purchasing power or high-priced fish the natural tendency is to turn to other locally produced foodstuffs of equivalent food value and cheaper price, which are mainly dried and fresh beef, and, to a limited extent, fresh fish. The best recent year in the codfish trade in Cuba was 1938. This followed the general economic upturn of 1937 and conditions had not yet begun to be affected to any noticeable extent by the start of the rise in codfish prices. It was really not until well on into 1940 that this slow price rise curtailed to any noteworthy degree the sales of codfish, although, since it was coupled with a downturn in purchasing power in the two previous years, both the volume and the value of codfish imports declined by as much as 30 per cent as compared with 1938 figures. It was in 1941, however, that the sharpest drop in volume occurred and, although the value of the total sales was smaller, it kept up remarkably well. In the latter few months of that year, due to wartime conditions, the price rise was so rapid and the stocks available so limited that comparatively little trade was done in this commodity.

Since the last war and up to 1935, Norway and Canada have been the principal suppliers of this type of fish. The former has completely dominated the Havana market, which serves the western and more important half of the island, and Canada has supplied only the Santiago de Cuba market, which covers the eastern half. However, beginning in 1936, Iceland became a strong



competitor of Norway in the Havana market, and Newfoundland of Canada in Santiago de Cuba. Both of these latter countries were making pronounced headway against the two older suppliers when war conditions intervened. Norway's shipments were completely cut off as from May, 1940, and Iceland shipped only limited amounts during the first few months of 1941. Newfoundland's sales were also sharply curtailed last year because of the demand for fish in Great Britain. During that year Canada supplied 72 per cent of the bacalao marketed in this territory. A greater trade could have been done, even at the greatly increased prices then prevailing, had larger supplies of the type acceptable in Havana been available.

There are two entries for the United States in the foregoing table, as there are in many of the tables which will follow. The entry marked with an asterisk covers re-exports, the true origin of which has been lost. Previous to 1939 both re-exports and goods produced within the United States were lumped together in the trade statistics. Both the re-exports and the codfish originally produced in the United States have increased noticeably since wartime conditions have made it so difficult to obtain supplies from Europe. At no previous time has the United States been a factor of importance in this trade, but the demand, and the sharp increase in the price offered, for codfish, plus the tariff preference, have made it profitable for some United States firms, some of them branches of Canadian firms, to enter the trade. This tendency is likely to continue for at least the duration of the war. The United States re-exports in 1941 originated mainly in Iceland and, to a smaller extent, in Norway and Canada. Because of shipping difficulties they were warehoused in New York and re-routed to this country.

The only other supplier of note is the United Kingdom, but that country's share of the trade, because of the curtailment of fishing in the North Sea and adjacent waters and the lack of shipping space for cheap bulk cargoes, has almost disappeared. An important part of the United Kingdom's exports was boneless codfish.

The present outlook is that Canada will continue to supply the bulk of the currently restricted demand in both the Havana and Santiago markets for the duration of the war, with smaller amounts coming from Newfoundland and the United States. Even at the present high price level, Cuba would take more codfish, cured according to Havana taste, than Canada is likely to have available from the next catch. Pollock is not widely known in Cuba, and very little of it is sold. However, a brisk demand could be worked up if it were available at a price advantage under codfish of some 20 to 25 per cent. The same applies to the other dried salt types such as haddock, hake and cusk.

The present customs duties and surcharges payable on the type of fish classed as bacalao are as follows, per 100 kilograms (220 pounds) gross: maximum tariff, \$11; general tariff, \$5.50; rate to the United States, \$4.125; weight reduction for tare in cases or barrels is 10 per cent and in sacks, bales or bundles it is 2 per cent; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to all countries. Consular invoice fees on all Canadian goods are 2 per cent ad valorem.

#### SARDINES, DRIED AND PRESSED

This is a Spanish or Portuguese type of fish supplied mainly by these two countries. It is actually a dried herring or pilchard prepared in accordance with Mediterranean taste, and the demand for it in Cuba is confined chiefly to Spanish nationals of recent arrival in Cuba who have been accustomed to consuming this kind of fish in their homeland. It is packed in salt in small casks or half-barrels weighing some 10 kilograms, the fish being arranged with the tails pointing to the centre of the container. The following table shows the



quantities, values and origins of imports of this type of fish into Cuba during the years 1933 to 1941:—

*Cuban Imports of Sardines, Dried and Pressed*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Portugal . . . . .Kg.	2,755	12,502	15,134	36,785	16,619	11,331	4,154	8,559	
United States . . . . .Kg.	475	2,061	1,709	4,807	1,921	1,147	712	1,454	
Canada . . . . .Kg.	4,694	4,049	74	256	2,195				
United Kingdom . . . . .Kg.	566	555	20	50	263				
Spain . . . . .Kg.	2,948		1,872		878			9,180	
Hongkong . . . . .Kg.	350		176		112			1,465	
China . . . . .Kg.			113,685				950		
			9,953				174		
	6,521	42,010	4,140						
	1,120	5,443	512						
				192	869	307	98		
				24	251	71	7		
				122	206				568
				12	33				22
Total weight . . . . .Kg.	16,918	58,561	135,027	37,439	20,561	11,638	5,202	18,307	
Total value . . . . .	2,511	8,059	12,382	4,914	2,547	1,218	893	2,941	

In 1941 Canada obtained a share of this business in a somewhat different type of sardine. The trade, however, is spasmodic, and not a great deal can be expected from it under present shipping conditions. In previous years attempts have been made to introduce the dry salted herring as packed in British Columbia but, due to the lightness of the cure and the length of time required for the sea journey, it has never been possible to ensure the arrival of the fish in prime condition. If these factors could be corrected, the normal cheapness of dry salted herring should open up a substantial market for them in this country. The customs duties and other charges on this class of fish apply also to haddock and are as follows per 100 kilograms (220 pounds) gross: maximum tariff, \$7; general tariff, \$3.50; rate to the United States \$2.625; weight reduction for tare in cases or barrels is 10 per cent and in sacks, bales or bundles it is 2 per cent; a general surcharge of 20 per cent of all duties, surtaxes and import charges is applicable to all countries.

### CANADA'S DOMESTIC EXPORTS IN MARCH

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, shows Canada's domestic exports (excluding gold) by principal countries and commodities for the month of March and the three months ending March, 1942 and 1941:—

*Canada's Exports by Principal Countries*

Countries	Month of March	Three Months ended March	
	1941	1942	1941
	Thousands of Dollars		
All countries . . . . .	101,919	175,482	288,437
Empire countries . . . . .	60,216	97,109	166,312
British East Africa . . . . .	271	6	2,004
British South Africa . . . . .	3,461	1,482	8,866
Southern Rhodesia . . . . .	371	69	710
British West Africa . . . . .	252	155	422
Bermuda . . . . .	166	250	375
British India . . . . .	3,110	14,570	7,489
Ceylon . . . . .	40	37	113
British Guiana . . . . .	333	385	842
Barbados . . . . .	153	162	332
Jamaica . . . . .	431	529	1,402
Trinidad and Tobago . . . . .	788	1,053	2,014
British West Indies, other . . . . .	263	229	606
Newfoundland . . . . .	796	2,464	2,140
Australia . . . . .	1,948	3,644	5,315
Fiji . . . . .	16	5	130
New Zealand . . . . .	901	552	2,302
Palestine . . . . .	116	11	126
Eire . . . . .	7	22	839
United Kingdom . . . . .	45,207	71,348	127,007

Countries	Month of March	Month of March	Three Months ended March	
	1941	1942	1941	1942
			Thousands of Dollars	
Foreign countries . . . . .	41,703	78,373	122,125	239,548
United States . . . . .	36,364	58,984	106,547	169,131
Argentina . . . . .	473	496	1,454	1,705
Bolivia . . . . .	22	44	74	107
Brazil . . . . .	491	812	1,712	1,666
Chile . . . . .	79	202	232	593
China . . . . .	394	366	2,048	1,230
Colombia . . . . .	110	136	367	429
Costa Rica . . . . .	21	38	48	96
Cuba . . . . .	123	144	488	786
Ecuador . . . . .	14	14	34	89
Egypt . . . . .	1,394	10,689	3,211	40,020
French possessions . . . . .	107	379	200	497
Guatemala . . . . .	21	17	52	68
Haiti . . . . .	16	33	34	69
Honduras . . . . .	15	10	58	70
Iceland . . . . .	60	42	181	342
Iraq . . . . .	2	453	10	5,881
Mexico . . . . .	383	514	947	1,668
Netherlands West Indies . . . . .	28	103	77	463
Nicaragua . . . . .	10	12	40	59
Panama . . . . .	47	104	136	251
Paraguay . . . . .	....	....	2	....
Peru . . . . .	118	204	273	473
Portugal . . . . .	50	55	104	158
Portuguese Africa . . . . .	89	9	247	62
Russia . . . . .	....	3,476	2	10,209
Salvador . . . . .	11	16	42	58
San Domingo . . . . .	19	21	59	74
Spain . . . . .	20	....	180	....
Switzerland . . . . .	218	275	365	695
Hawaii . . . . .	64	25	181	38
Puerto Rico . . . . .	47	108	149	337
Uruguay . . . . .	26	77	83	250
Venezuela . . . . .	100	115	313	443

### Canada's Exports by Principal Commodities

	Mar., 1941	Mar., 1942
	Thousands of Dollars	
Total domestic exports . . . . .	101,919	175,482
Agricultural products (total) . . . . .	15,787	19,243
Fruits . . . . .	141	150
Vegetables . . . . .	237	379
Grains (total) . . . . .	10,372	8,807
Barley . . . . .	230	50
Wheat . . . . .	9,795	8,622
Wheat flour . . . . .	2,012	3,716
Alcoholic beverages . . . . .	545	1,674
Seeds . . . . .	278	710
Animal products (total) . . . . .	8,923	22,372
Cattle (except for stock) . . . . .	534	478
Fishery products . . . . .	2,260	3,077
Furs (chiefly raw) . . . . .	1,165	2,991
Hides, raw . . . . .	369	66
Leather, unmanufactured . . . . .	199	779
Leather, manufactured . . . . .	89	262
Meats . . . . .	3,222	11,743
Butter . . . . .	30	15
Cheese . . . . .	80	1,403
Eggs . . . . .	57	525
Fibres and textiles (total) . . . . .	1,887	3,152
Cotton . . . . .	990	1,454
Flax . . . . .	110	242
Silk (chiefly stockings) . . . . .	224	66
Wool . . . . .	84	270
Artificial silk . . . . .	184	278
Wood and paper (total) . . . . .	25,964	32,264
Planks and boards . . . . .	5,061	5,522
Timber, square . . . . .	46	36
Shingles, red cedar . . . . .	747	1,322
Pulpwood . . . . .	703	1,046
Wood-pulp . . . . .	5,987	8,142
Paper, newsprint . . . . .	10,811	12,670

*Canada's Exports by Principal Commodities—Con.*

	Mar., 1941	Mar., 1942
	Thousands of Dollars	
Iron and products (total) . . . . .	17,474	34,068
Pigs, ingots, etc. . . . .	2,045	1,955
Rolling mill products . . . . .	426	380
Tubes and pipes . . . . .	528	87
Farm implements . . . . .	1,043	730
Hardware and cutlery . . . . .	465	247
Machinery, other than farm . . . . .	1,943	1,191
Automobiles and parts . . . . .	9,732	16,875
Non-ferrous metals (excluding gold) . . . . .	18,946	24,524
Non-metallic minerals (total) . . . . .	3,078	4,214
Coal . . . . .	129	252
Petroleum . . . . .	280	317
Stone . . . . .	1,180	1,158
Chemicals (total) . . . . .	3,305	6,895
Acids . . . . .	272	283
Fertilizers . . . . .	1,009	862
Soda compounds . . . . .	577	554
Miscellaneous (total) . . . . .	6,555	28,750
Electrical energy . . . . .	436	937
Films . . . . .	71	47

**UNITED KINGDOM FARM PRICES FOR 1942**

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, March 19, 1942.—Late in February the Minister of Agriculture, Mr. R. S. Hudson, announced that an adjustment in the prices for farm products was being made after full consultation with the National Farmers' Unions of England, Wales and Scotland.

**LIVE STOCK**

Graduated adjustments, designed to secure an over-all average increase of 6s. 6d. per live cwt. in a full year, will be made to fat-cattle prices. This will apply to all classes of cattle with the exception of fat cows, bulls and calves. The full amount of the increase will not be made at any one time, but a substantial part of it became effective with marketings during the week beginning March 9.

An increase averaging 1½d. per pound over a full year will be made in the prices of fat sheep and lambs, but there will be no increase in the price of fat ewes and rams. As in the case of cattle, the full increase will not become effective immediately, but will be distributed over a period of some weeks; for marketings during the week commencing March 9 the increase was ½d. per pound.

From February 23 the price of clean pigs was increased by 1s. per score. Thus the new price for top-grade pigs of the best weights is now 24s. per score dead weight.

In the case of wool there will be an average increase of 2d. per pound over the whole range of prices.

**EGGS AND MILK**

A further increase of 1d. per dozen has been made in the price of home-produced eggs. This began on March 5, and will apply throughout the year, although the seasonal variation in maximum prices will be continued.

The adjustment of milk prices has not been settled at time of writing, although it is expected that this will become effective from April 1, and is at present receiving the urgent consideration of all concerned.

**GRAIN CROPS**

The announcement also includes a statement covering the prices to be paid for the 1942 grain crops. The price of millable wheat will be increased



from 14s.6d. to 16s. per cwt. The maximum price for milling oats will be increased from 13s.9d. to 14s.9d. per cwt., and that of feed oats from 13s.6d. to 14s. 6d. per cwt. The price of rye will be raised to a maximum of 15s. 6d. per cwt. It is expected that a new maximum price will be announced at an early date for malting barley, but in the meantime the feed barley price will be raised to a maximum of 14s.6d. per cwt.

#### POTATOES

There will also be some adjustment in the price to be paid for the 1942 crop of potatoes. This will vary according to variety, district and the season of the year, but the general aim will be to give the farmers an increased return of approximately 5s. per ton as compared with what they obtained for the 1941 crop.

#### SUGAR BEET AND FLAX

There will be an announcement at a later date regarding sugar beet and flax prices to be paid for the 1942 crop.

#### AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on April 18 regarding the Australian wheat and flour situation as follows:—

Wheat production for the Australian season 1941-42 will probably be 170,000,000 bushels. Official wheat prices are unaltered. Recent exports of flour in 150-pound sacks to Colombo were authorized on the basis of \$35.20 per ton f.o.b., Melbourne. Orders for food controllers at Ceylon and Mauritius were executed on the basis of \$31.90 and \$35.42 per ton f.o.b., Melbourne respectively. Wheat production for the season 1942-43 is anticipated to be reduced by one-third of average production. Moisture conditions for sowing cereal crops are not generally favourable.

#### TRINIDAD COPRA PRODUCTS INDUSTRY

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, April 13, 1942.—The necessity for making full use of all local resources is encouraging the production of copra products in the British West Indies (Eastern Group) and British Guiana. Supplies of coconuts are negligible in the Leeward Islands, but in Trinidad and the Windward Islands an annual production of over one hundred million nuts per annum, in addition to supplies in British Guiana, provides a steady supply of copra for the local factories.

Small plants, mainly directed to the production of edible oil and some soap, are already in operation in the Windward Islands, Barbados has a factory for the processing of coconut and cotton seed oil, and there is an up-to-date factory in British Guiana for the manufacture of edible oil, lard compound, and margarine.

Trinidad, with its large coconut resources, is, however, the outstanding colony in this territory manufacturing copra products. Three factories account for about 75 per cent of the total production of the colony. Edible oil, lard, coconut oil, margarine, coconut meal, butter substitutes and soap are manufactured, although the bulk of the production is in edible oil and lard substitute. The output of these three firms is supplemented by the activity of sixteen small factories, most of them private concerns, engaged in the manufacture of coconut oil, meal, or soap.

## EXPORTS

Trinidad's production of copra products has developed to a point where besides meeting the colony's own requirements of edible oil and lard compound, a moderate export is possible under normal conditions. This trade has shown a rapid increase in the past four years as indicated by the following figures:—

*Trinidad Exports of Copra Products*

	Edible Oil Cwt.	Lard Substitutes Cwt.
1936 .....	73	4
1937 .....	292	18
1938 .....	7,577	372
1939 .....	25,512	840
1940 .....	19,245	599

Imports of lard, lard compound and shortening into this territory during the three years 1939 to 1941 inclusive averaged about 1,375,000 pounds, of which supplies from the British West Indies (mainly Trinidad and Jamaica) amounted to 6.3 per cent, 4.5 per cent and 16.8 per cent in the respective years.

At present exports from Trinidad are being severely restricted in order to meet domestic requirements.

The copra products industry in Trinidad provides a market for a number of processing materials, including stearine, caustic soda and caustic potash, refined salt, dried skim milk, and fuller's earth.

## DEMAND FOR CONTAINERS

A shortage of tin containers normally used for the packing of edible oil and lard compound has also given rise to an immediate demand for wooden lard pails and other wooden containers which might prove suitable for the trade.

Further details in respect to the demand for these various products may be obtained on application to the Canadian Trade Commissioner, Port of Spain, Trinidad.

## REVIEW OF CALIFORNIA CANNING INDUSTRY FOR 1941

J. C. BRITTON, ACTING TRADE COMMISSIONER

Los Angeles, April 7, 1942.—The combined canned fruit and canned vegetable packs in the State of California during 1941 reached the highest total on record. According to figures compiled by the Cannerymen's League of California, the pack totalled 40,516,246 cases, approximately 9,000,000 cases, or 27 per cent, above the 1940 mark. Notwithstanding the size of the 1941 pack, it seems unlikely that there will be any appreciable stocks on hand at the commencement of the forthcoming canning season.

California packers are very nearly sold out of most items almost three months in advance of the close of the sales year, June 1. To forestall price increases and to prevent overstocking, the Office of Price Administration placed temporary price ceilings on fifteen canned vegetable items and ten canned fruit items at the beginning of March. Prices to be charged by canners and wholesalers were fixed at the levels which prevailed between February 23 and February 27, 1942. Price ceilings now apply to apples, applesauce, apricots, sweet and sour cherries, fruit cocktail, fruit salad, peaches, pears, pineapples and plums among the canned fruits, and to the following canned vegetables: asparagus, dry beans, lima beans, snap beans, beets, carrots, corn, peas, pumpkin, sauerkraut, spinach, sweet potatoes, tomatoes, tomato ketchup, and tomato juice. The price ceiling covers practically all of the more important packs canned in California.



## CANNED FRUIT

The total fruit pack amounted to 20,064,499 cases, an increase as compared with 15,065,259 cases in 1940. Each of the principal individual items showed an increase in 1941 as compared with the previous year. More than one-half of the total pack was made up of peaches.

Details of the 1941 California fruit pack are shown in the following table, together with comparative figures for 1940:—

*California Canned Fruit Pack*

	1941 Cases of 24 Cans, 2½ Size	1940
Peaches (cling) . . . . .	10,581,448	9,608,126
Peaches (free) . . . . .	2,151,691	1,133,737
Peaches (spiced cling) . . . . .	187,014	156,665
Apricots . . . . .	4,072,304	1,814,588
Pears . . . . .	1,791,988	1,531,714
Figs . . . . .	702,783	434,162
Grapes . . . . .	159,117	123,732
Cherries . . . . .	146,943	86,672
Plums . . . . .	102,353	54,339
Other fruits . . . . .	168,858	121,524
Total . . . . .	20,064,499	15,065,259

Fruits for salads and fruit cocktails, which are manufactured largely from the canned fruit pack, particularly apricots, are recorded separately. Fruits for salads and fruit cocktails packed in California for the years 1941 and 1940 amounted to 633,761 cases and 601,373 cases respectively.

## CANNED VEGETABLES

The California vegetable pack increased from 16,498,175 cases in 1940 to 20,451,747 cases in 1941. Tomatoes in one form or another comprised over 75 per cent of the canned vegetable pack, the other principal items being spinach and asparagus. It is of interest to note that responsibility for the uniform grading of asparagus is assumed by the California Asparagus Advisory Board, composed equally of growers and canners.

Detailed figures of actual cases—all grades and sizes—of the 1941 canned vegetable pack for California are shown in the following table, together with comparative statistics for 1940:—

*California Canned Vegetable Pack*

	1941 Cases	1940 Cases
Tomatoes . . . . .	6,283,021	5,244,003
Tomato juice . . . . .	2,401,283	2,723,496
Tomato sauce and/or hot sauce . . . . .	2,027,973	1,972,947
Tomato paste . . . . .	2,055,023	*
Tomato puree . . . . .	1,121,676	*
Tomato catsup . . . . .	1,089,774	1,097,688
Other tomato products . . . . .	261,872	165,986
Spinach . . . . .	1,682,049	1,134,756
Asparagus . . . . .	1,578,018	2,181,515
String beans . . . . .	314,111	186,858
Peas . . . . .	54,793	151,447
Other vegetables . . . . .	1,259,941	896,952
Total . . . . .	20,451,747	16,489,175

\* Not recorded.

## PROSPECTS FOR 1942 PACK

The California canning industry has been requested to allocate from 15 per cent to as high as 33 per cent of some of the major items of the forthcoming fruit and vegetable pack for the armed forces and lend-lease program. They are faced with a considerable curtailment of skilled labour, the labour shortage



being estimated at from 28 to 45 per cent below pre-war levels. It is felt, however, that despite this serious obstacle, the industry will meet the urgent demands for wartime food supply. There is a suggestion that on an all-out basis the canning industry will produce a total of 50,000,000 cases in 1942. This goal may entail the utilization of inexperienced labour in numbers greater than the normal quota of labour employed by the industry. The program requires the utmost skill and energy to be brought to a successful conclusion.

## IMPORT TRADE OF ARGENTINA IN 1941

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### II

#### FOODSTUFFS

Argentina is essentially a food-producing country, all foods that can be grown in temperate and sub-tropical zones being produced. Among these are sugar and citrus fruits, including oranges and grapefruit. Bananas have to be imported from Brazil, and oranges also come from that country to supplement the local production. Argentina was formerly an important buyer of dried prunes from California and of olives from Spain. Local production of both prunes and olives has largely displaced these imported products in recent years. Argentina imports dates, currants and nuts. Some fresh apples are imported from North America for the Christmas trade, which comes when local apples are out of season. Argentina can be largely self-supporting in food products.

#### FISH

Fish is in the semi-luxury class of foods in Argentina. There are important local fisheries, but meat is the principal food item. Argentina has a large food-canning industry that includes in its production fruits, vegetables and meats. Before the outbreak of war this country was an important consumer of dried codfish, the supplies coming from Norway, Iceland and Scotland. This was a high-quality trade, the fish being consumed largely during the Lenten season. Shipments were made in sealed tin-lined boxes. Imports of whole dried codfish amounted to only 437 tons in 1941 as compared with 2,709 tons in 1940 and 5,155 tons in 1939. An additional 3 tons of cut codfish was imported in 1941. Dried codfish has only been admissible from Canada during recent months, but the rate of exchange applicable to the Canadian fish is high, and it is therefore expensive.

Argentina was an important consumer of Spanish, Portuguese and Norwegian tinned sardines before the war, this also being a specialty trade. Imports of sardines in 1940 amounted to 2,347 tons of which 80 per cent came from Portugal. Some salt herrings in barrels were also imported from Europe. The consumption of canned salmon has always been negligible, due to the high import duties.

#### FRESH APPLES

In 1941 Argentina imported 44,253 boxes of fresh Delicious apples from the west coast of Canada and the United States. Canada supplied 16,557 boxes and 27,696 boxes came from the United States; only 3,089 barrels of apples arrived from the latter country in 1941. Total imports in 1941 were 49,940 boxes, of which 90 per cent came from Canada; the total for 1939 was 62,564 boxes.

Under the trade agreement signed with the United States, Argentina reduced the import duty on fresh apples in October, 1941, by approximately 2 Argentine pesos per box. This reduction also applied to Canada. However,

the 1941 rate of exchange on the purchase of dollars in Argentina to pay for North American apples was 4.94 pesos to the United States dollar as against 4.22 pesos in 1940. This exchange difference plus the higher c.i.f. prices increased the landed cost by approximately 5 pesos per box. Consequently apples from Canada and the United States cost importers 3 pesos per box more in 1941, the price being 18.50 pesos as against 15.50 pesos in the preceding season. Uruguay also imported a fair quantity of fresh apples from North America in 1941. Fresh apples were admitted duty free for a limited period as against the high import duty applying in former years.

Argentina is an important producer of the varieties of apples grown in British Columbia. However, the late Argentine apple crop is harvested in March and the early apples around the beginning of the new year, so that there is some demand for imported apples each season for the Christmas trade. This trade has been getting smaller each year as the local production has increased. The demand in 1941 for apples from North America was far from satisfactory. Retail prices were higher, due to the higher landed cost in Buenos Aires. There are still some quantities of imported apples in cold storage, while the new Argentine crop is already on the local market. Owing to frosts the current Argentine apple and pear crop will only be from 40 to 50 per cent of normal in the main zone in Rio Negro.

#### SEED POTATOES

Argentina is an important market for Canadian certified seed potatoes. This trade began in 1935, when the Argentine crop was a complete failure, due to a combination of drought and disease in that year. Imports reached their peak in 1937, but the trade has tended to be more stable during the past few seasons.

The following table shows the trends in imports of seed potatoes into Argentina since 1937-38:—

#### *Argentine Imports of Certified Seed Potatoes*

	1937-38	1938-39	1939-40	1940-41	1941-42
	Crates of Approximately Two Bushels				
Canada . . . . .	479,757	137,200	277,132	155,862	64,082
United States . . . . .	15,710	20,800	88,675	60,837	13,000
Total North America . . . .	495,467	158,000	365,807	216,699	77,082
Denmark . . . . .	309,544	154,291	104,915	.....	.....
Holland . . . . .	18,414	17,045	83,514	.....	.....
Estonia . . . . .	52,839	11,601	32,300	.....	.....
Germany . . . . .	22,780	1,020	.....	.....	.....
Other European countries . . .	82,749	5,675	6,000	.....	.....
Total Europe . . . . .	486,326	189,632	226,729	.....	.....
Grand total . . . . .	981,793	347,632	592,536	216,699	77,082

The Katahdin is the popular variety of seed potato in Argentina. Canadian certified seed has been coming from New Brunswick, and White Rose from the United States.

Uruguay took 66,746 crates of certified seed potatoes from Canada in the 1941-42 season.

#### TOBACCOS

Argentina used 14,081 tons of home-grown tobaccos in 1939, and an additional 8,826 tons was imported. Brazil supplied 7,013 tons or 80 per cent and the remainder came from Paraguay and Cuba, with the exception of 417 tons of Virginian tobacco from the United States for blending purposes. A total of 1,904 tons was imported from the United States in 1940. There were 998 million packages of ten cigarettes each manufactured in Argentina in 1939.



## ALCOHOLIC BEVERAGES

Argentina produces beer from home-grown malting barley, and 36,502 tons of malt were consumed in 1939. Hops, which formerly came from Europe, are imported from the United States. Argentina has excellent vineyards in the irrigated zone around Mendoza and San Juan. Domestic requirements in wines are supplied from this area, and recently there has been a large exportation of vermouth to the United States. Argentina produced 650 million litres of wines in 1939.

In 1941 Argentina imported 76,527 dozen bottles of Scotch whisky from the United Kingdom, a reduction from 95,733 dozen in 1940 and 87,857 dozen in 1939. The population generally does not consume spirits. There is a domestic production of spirits from sugar cane, but wines and beer are the popular beverages.

Argentina produced 27 million litres of industrial alcohol in 1939, of which 24 million litres came from the sugar-producing zones of the provinces of Salta and Jujuy. Some 18 million litres were denatured.

Imports of gin amounted to only 8,685 dozen in 1941 as against 18,245 dozen in 1940 and 19,047 dozen in 1939. In 1939 a total of 2,009 tons of gin concentrate was made in Argentina.

Whiskies are not admitted into Argentina from Canada or the United States. Gin is admissible but, due to competition from the locally produced product, imports are not large.

## LUMBER

Argentina purchased approximately 215 million board feet of softwood lumber in 1941. Brazil supplied 71 per cent of the requirements as compared with only 47 per cent in 1939. Canada shipped \$120,624 worth of lumber to Argentina during the first half of 1941.

The heaviest decline in softwood consumption has been in pitch pine from United States gulf ports. Arrivals of American pitch pine in 1941 were only 38 per cent of the quantity recorded for the last pre-war year (1938) and but 30 per cent of the figure for 1937 when arrivals of pitch pine reached 90 million feet. The Argentine Government made payments for pitch pine purchases subject to an adverse rate of exchange last year, or approximately 17 per cent higher than for Douglas fir. The higher cost of pitch pine has led to the substitution of other softwoods. Local hardwoods are now being used instead of pitch pine to an increasing extent for parquet flooring.

There was little change in the quantity of Douglas fir consumed in 1941 as compared with 1940. Arrivals were 10 million feet below the 1939 figure and 7 million feet below the high 1937 figure. In 1941 Uruguay took only 488,000 board feet of Douglas fir, 21,000 feet of Pacific spruce, and 342,000 feet of Californian white pine. Building construction will be at a lower level in 1942, due to the difficulty of obtaining other essential building materials. Brazil is now being paid high prices for her pine in Argentina.

The demand in Argentina during 1942 for west coast softwoods, including Douglas fir, will be affected by the problem of obtaining shipping space. Argentina is likely to take whatever quantity can be shipped.

There was a strong and increasing demand for Douglas fir plywood in Argentina during 1941, due to the shortage of supplies from Europe. However, a fair quantity was received direct from Scandinavian countries on Finnish and Swedish steamers. Argentine consumers were beginning to appreciate Douglas fir plywood, but it will be increasingly difficult to obtain supplies, due to the shortage of shipping. Argentina obtains oak shooks for tight casks for packing tallows, etc. from the gulf ports of the United States, but is now making wine casks from local hardwoods. Argentina received 698,000 board feet of oak lumber from the United States in 1940 and 338,547 oak casks in shooks.

The following comparative table shows the arrivals of softwood lumber in Argentina since 1938:—

*Argentine Imports of Lumber*

	1938	1939	1940	1941
		Figures in Board Feet		
Total . . . . .	257,845,000	299,523,000	200,751,145	214,326,000
Pacific Coast—				
Douglas fir . . . . .	27,847,000	37,071,000	25,264,000	27,829,000
Pacific hemlock . . . . .	149,000	.....	13,000	.....
Sitka spruce . . . . .	176,000	72,000	3,343,000	5,566,000
California white pine . .	1,682,000	2,698,000	1,235,000	1,368,000
California redwood. . .	.....	38,000	334,000	52,000
Gulf ports—				
Southern pitch pine. . .	70,127,000	65,800,000	47,296,758	26,581,000
Canadian pine . . . . .	10,000	15,000	4,000	*
Brazilian pine . . . . .	106,574,000	143,872,000	109,041,387	152,930,000
European pine . . . . .	51,280,000	48,481,000	14,220,000	.....
		1,476,000}		

\* Figures not available.

*ASBESTOS FIBRE*

Argentina imported 4,976 tons of asbestos fibre in 1941. Imports during 1940 were 3,641 tons, of which over 50 per cent was of Canadian origin, the remainder coming from Rhodesia, South Africa, and Russia. Canada's share would probably be larger for 1941.

The consumption of asbestos fibre is likely to continue to increase in Argentina. Three important factories manufacturing asbestos sheets, piping, etc., have been started within the past few years. The following table shows the imports of asbestos since 1938; figures for individual countries are not available for 1941.

*Argentine Imports of Asbestos Fibre*

	1938	1939	1940
	Tons	Tons	Tons
Canada . . . . .	30	1,257	285
United States . . . . .	211	257	1,645
Rhodesia . . . . .	470	742	882
South Africa . . . . .	.....	78	.....
Soviet Russia . . . . .	.....	200	100
United Kingdom . . . . .	450	543	729
Total . . . . .	1,161	3,077	3,641

*REFRACTORY BRICKS*

Imports of refractory blocks into Argentina in 1941 amounted to 5,064 tons; this was only 5 per cent below 1940 imports and compares with 4,352 tons in 1939. Canada supplied 93 tons in 1940 and the balance came from the United States and the United Kingdom.

Argentina imported 3,348,500 refractory bricks from abroad in 1941 as compared with 3,360,600 in 1940 and 5,019,700 in 1939. Canada supplied 11,100 of these bricks in 1940; 1,137,900 came from the United States and 2,176,700 were from the United Kingdom. Canada increased her share in this trade in 1941. Consumption is increasing in Argentina, due to new industrial expansion.

*NICKEL*

Argentina imported 42,664 pounds of nickel in thick sheets in 1941. This was approximately half the imports for 1940 but was equal to the figure for 1939. This nickel comes from Canada.

*NEEDLES*

Imports of loom needles amounted to 8,357 pounds in 1941 as compared with 10,087 pounds in 1940. Canada supplied 15 per cent of the requirements in 1940, the United States and Switzerland being the principal sources of supply.



Japan supplied ordinary sewing needles in 1940. Imports of sewing-machine needles were 12,650 pounds in 1940, of which 70 per cent came from the United Kingdom and the remainder largely from the United States. Imports of large needles for sewing bags totalled 7,218 pounds in 1940; these came from the United Kingdom.

#### CALCIUM CARBIDE

Argentina imported 8,250 tons of calcium carbide in 1941. There is no local production, largely because cheap hydro-electric power is not available in Argentina. Imports of carbide totalled 10,732 tons in 1940, of which 70 per cent came from Europe. Argentina currently requires from 10,000 to 12,000 tons of calcium carbide annually, and there has been an increase in consumption in recent years. Canada and the United States are now supplying the local demand for carbide. Brazil and Mexico have made small shipments.

#### IRON PIPING

Imports of soft iron piping were 26,768 tons in 1941. This amount was only 10 per cent below the 1939 figure but was 12,829 tons under that for 1940. The United States supplied 80 per cent of the 1940 imports; 3,230 tons came from the United Kingdom, and 247 tons were from Canada.

Galvanized iron piping arrivals reached 3,821 tons in 1941, which was less than half the figure for 1940 and about one-third of the imports in 1939. In 1940 Canada supplied 773 tons; 50 per cent came from the United States, and the remainder was from the United Kingdom and Italy. Iron piping is fabricated in Argentina.

#### BRASS VALVES

Argentine imports of iron valves containing 40 to 60 per cent of brass amounted to 30,892 kilos in 1941. This figure was only 10 per cent below that for 1940. Canada supplied one-third of these valves in 1940; the United States is credited with approximately one-half, and the remainder came from France. Canadian brass valves are well established in Argentina on the basis of quality. The United Kingdom was the principal supplier in 1939.

#### SHOVELS

Canada is one of the principal suppliers of shovels to Argentina. Imports amounted to 436 tons in 1941 as compared with 487 tons in 1940 and 361 tons in 1939. This trade was formerly divided between Canada and the United Kingdom. In 1940 the United Kingdom supplied 57 per cent of the local requirements, and Canada accounted for 41 per cent. The remainder came from the United States.

The United States supplies hay forks, axes, etc., some coming from Sweden; files; hammers, shared formerly with France and the United Kingdom; picks, shared with the United Kingdom; and circular saws. Most of the supplies of better-class tools now come from the United States.

#### ELECTRIC METERS

Argentina imported 34,129 electric meters in 1941 as compared with 50,996 in 1940 and 66,363 units in 1939. Canada supplied 8,501 units; Switzerland, 20,835 units; and France, 10,556 units.

#### FURS

Argentina imports furs in the raw state to be prepared and made-up locally. The London fur market supplied 50 per cent of the furs imported in 1940; the remainder arrived direct and imports were more or less equally divided between Norway, France, and Bolivia.

In 1941 imports of all furs into Argentina amounted to 61,918 pounds as compared with 64,429 pounds in 1940 and 63,486 pounds in 1939. The 1942 requirements in furs are arriving for the coming winter season, which begins in May, Argentine fur-buyers having gone to New York and Montreal for this season's requirements. Retail fur sales this season should not be greatly reduced below the level for 1941.

#### OTHER IMPORTS FROM CANADA

The other principal imports into Argentina from Canada in 1941 included fish oil, asbestos brake-lining, vegetable grease, automobile parts, battery parts, copper wire, lantern parts, ferro-silicon, brushes, upper leather, goggles, plywood, and films. Canada also supplied a large pipe-organ.

#### IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 28, 1942.

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to March 28, 1942 Quantity	Per Cent
Cattle (700 lb. or more) . . . .	Head	225,000	3 to 1½c. per lb.	46,841	20.8
Cattle (less than 200 lb.) . . . .	Head	100,000	2½ to 1½c. per lb.	15,357	15.3
Whole milk . . . . .	Gal.	3,000,000	6½ to 3¼c. per gal.	1,052	....
Cream . . . . .	Gal.	1,000,000	56½¢ to 28¾¢ per gal.	277	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk, and rosefish . . . . .	Lb.	15,000,000	2½ to 1½c. per lb.	2,259,491	15.1
Seed potatoes . . . . .	Bu.	1,500,000 beginning Sept. 15, 1941.	75 to 37½c. per 100 lb.	494,443	32.9
White or Irish potatoes, other than seed potatoes . . . . .	Bu.	1,000,000 beginning Sept. 15, 1941.	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	19,866	1.9
Red cedar shingles . . . . .	Sq.	2,617,111	Free	861,882	32.5
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins . . . .	No.	100,000 beginning Dec. 1, 1941	50 to 35% ad val.	36,047	36.0
Tails . . . . .	Piece	5,000 beginning Dec. 1, 1941	50 to 35% ad val.	5,000	Quota filled

\* The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the first quarter of 1942 Canada shipped 46,841 head of cattle weighing 700 pounds or more, other than dairy cattle, to the United States, or 90.5 per cent of the quarterly quota allotment of 51,720 head provided for by the United States. The first quarter allotment of 8,280 head from countries other than Canada was filled. Receipts over and above this allotment were subject to the full rate of tariff.



**CHANGES IN EXPORT PERMIT REGULATIONS EFFECTIVE APRIL 15**

Effective April 15, 1942, more than 300 commodities are added to the list of those which cannot be exported from Canada except under permit issued by the Export Permit Branch, Department of Trade and Commerce, Ottawa.

Some commodities have been placed under export control in order to co-operate with United States authorities by preventing the re-exportation from Canada to undesirable destinations of United States goods that are under strict United States export control. However, the majority of the products have been placed under control at the request of the Wartime Prices and Trade Board and the Wartime Industries Control Board, these being commodities the export of which from Canada should be strictly controlled in order to conserve supplies. About 25 of the products listed are exempt from requiring an export permit when shipped to any part of the British Empire or to the United States. On the other hand, 62 commodities that were previously exempted from requiring an export permit when shipped to the United States or to British Empire countries will now require an export permit when shipped to any destination.

These additions and amendments to the list of affected commodities, together with about 130 other commodities added to the list of products under export control since October 25, 1941, when the last revised edition of the Export Permit Regulations was published, are consolidated in a new edition of the regulations that was made available to the public about April 13. Exporters may obtain copies from the offices of the Canadian Manufacturers' Association, local Boards of Trade or Chambers of Commerce, or direct from the Export Permit Branch, Department of Trade and Commerce, Ottawa.

Following is a summary of the amendments to the Export Permit Regulations and to the list of commodities affected thereby—

**AMENDMENTS AND ADDITIONS TO EXPORT PERMIT REGULATIONS**

Regulations 2, 7 (a), 9, 14, 20, 21, 22, 30, 35 and 38 are cancelled, and the following Regulations substituted therefor:

2. All applications for permission to export, or for information concerning the control of exports, should be submitted to the Export Permit Branch, Department of Trade and Commerce, Ottawa, except as provided for in Regulations 27, 28, 29, 30, 31, 32 and 33, which cover certain dairy products, hides and skins, wool, sugar, fish and fish products.

7. (a) Notwithstanding Regulation No. 5, export permits shall not be required in respect of shipments of \$5 or less in value, except in respect of sugar as provided in Regulation 30.

9. The application for an export permit should contain a description of the commodity in sufficient detail to permit of its proper classification. Trade names and technical names which do not describe the goods should not be used. If the chief component materials used in the manufacture of the article are not clear in the general description, definite details of each important component, with the approximate percentage of the total value, should be listed. The value and quantity of each class of commodity should be shown separately. The values should comprise the selling price (f.o.b. factory or first shipping point) of the articles exported, but should not include any freight, insurance, handling or other charges.

14. When an application form has been approved by or on behalf of the Minister of Trade and Commerce, the application becomes an export permit. Three copies of the permit will be retained for the use of the Export Permit Branch, one copy sent direct to the port of exit, and two copies to the exporter—one for his files and the original to accompany the goods, attached to the way bill.

Where it is proposed to export the goods covered by any one application in a series of shipments spread over 90 days, the exporter should state this intention in his application, and give the name and address of his nearest Customs Office. Partial shipment forms will be sent to the applicant with the export permit. These partial shipment forms should be lodged with the nearest Collector of Customs and Excise along with the original export permit. The relevant export entry, Form B. 13, should be submitted at the same time. Subsequent partial shipments should be covered by partial shipment forms, and submitted along with the export entry form to the Collector holding the original export permit. For parcel post shipments see Regulation No. 24.

20. The export permit number should be shown on the shipper's export entry. The export entry should contain as nearly as possible the same information with regard to the destination, description, quantity and value of the goods to be exported as that which appears on the approved export permit. It is realized that at the time of application for an export permit, the exporter cannot always know the exact quantity and value of the goods to be exported. In these cases a reasonable tolerance is allowed in respect of quantities and values.

21. Export permits may be withheld until such time as a report approving the consignee has been obtained.

22. Export permits are valid for 90 days. If shipment from port of exit has not been completed within 90 days of the date stamped on the export permit, the permit automatically expires. Favourable consideration will be given to a request for an extension when this request is received prior to the expiry date on the permit, if it can be shown that it has been impossible to complete the shipment due to factors outside the control of the exporter.

30. Applications for permits to export sugar or glucose to the British Empire and the United States and for the supply of sugar or glucose as ships' stores should be submitted to the Sugar Administrator, 437 St. James St. West, Montreal, P.Q.

Permits are not required for casual shipments of sugar or glucose not exceeding 25 pounds, except as provided for in Regulation 5.

35. The following questions *must* be answered in full by all applicants for permits to export minerals, metals and metal products (including steel and steel products), cork and cork products, rubber and rubber products to destinations other than the United Kingdom. Exporters of all other commodities subject to export control are only required to furnish this information at the request of the Export Permit Branch, Department of Trade and Commerce, Ottawa.

1. Give specific information as to the uses for which the quantity of the material covered by this application is required in the country of ultimate destination, with particular reference as to whether or not it is for: (a) maintenance and repairs; (b) normal inventory for fabrication; (c) expansion of existing facilities or the creation of new facilities; (d) national defence.
2. With respect to clauses (a) and (b) of question No. 1 above, how long would the material covered by this application provide for the requirements of the consumer?
3. Have you shipped to the purchaser or the country named in this application prior to 1940? If so, indicate in general terms the extent of your business during the period 1937 to 1939 inclusive, as compared with your business in the period 1940 to date.
4. If consignee is not the purchaser, give below the information requested in question 3 above with respect to the consignee as well.
5. If the purchaser and/or consignee named in this application is not an old customer, how and when did this present business originate?



6. If the purchaser and/or the consignee and/or the ultimate consumer is a newly organized company or partnership, state all you know about his business antecedents and financial standing.
7. If this shipment represents only part of a total quantity to be delivered under contract, give details of the contract and show clearly what balance, if any, is still to be delivered. If export permits have already been issued for previous shipments under this contract, give numbers for reference.
8. Explain terms and method of payment arranged and give names, if possible, of banks or collecting agencies both in Canada and in the country of destination named in this application.
9. State the approximate value of any part or content of the commodities covered by this application which may be of United States origin.
10. Have you had any correspondence with respect to this particular shipment with any other Department or Agency of the Canadian Government? If so, give references.

38. Exporters are urged to co-operate with the Export Permit Branch by applying for export permits, when possible, at time of receipt of order. Specified goods should not be put into production for export until such time as the necessary export permits or clearance certificates have been issued:—

Regulations 3, 26 (b), 27, 29 and 40 are amended as follows:—

Regulation 3 is amended by the deletion of the words "Regulations 26 to 32 inclusive", in sentence two, and the substitution of the words "Regulations 27 to 33 inclusive", therefor; and the addition of the words "see Regulation 11", after the words "for each additional port".

Regulation 26 (b) is amended by the deletion of the words "Subject to the above" at the beginning of Regulation 26 (b) and the substitution of the words "With the exception of the above" therefor.

Regulation 27 is amended by the deletion of the first sentence, and the substitution of the following therefor: "Applications for permits to export dairy products to the British Empire and the United States may be submitted to the Dairy Produce Graders, 502 Federal Building, Vancouver, B.C., or 407 Dominion Public Building, Halifax, N.S., or to the Export Permit Branch, Ottawa."

Regulation 29 is amended by the addition, after the sentence "Purchases of yarn by returning tourists up to 25 pounds in weight do not require an export permit", of the following:—

"Export permits are not required for casual shipments of fabrics, in the piece, composed of yarns of wool or of hair \$35 or less in value, nor for shipments of articles of wool or of hair \$100 or less in value."

Regulation 40 is amended by the addition of the words "in bond" following the words "Commodities in transit".

#### ADDITIONS AND AMENDMENTS TO LIST OF PRODUCTS REQUIRING EXPORT PERMIT AND EXEMPTIONS FROM PERMIT REQUIREMENTS

In the following list are shown the additions and the amendments, effective April 15, to the list of products for which an export permit is required; also the products affected by Export Permit Branch Orders Nos. 29 and 30, likewise effective April 15. For convenient reference, the additions, amendments and exemptions are shown under group headings:—

## GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

The following commodities are added:—

Annatto, liquid or solid.  
 Cashew nuts.  
 Cassava root.  
 Cochin, seed.  
 Cocoa beans, powdered cocoa, chocolate and products of cocoa or chocolate.  
 Ferment cultures for cheese or butter-making.  
 Natural gums.  
 Hempseed oil cake and oil cake meal.  
 Litmus and all lichens.  
 Oat screenings.  
 Patchouli leaves.  
 Quassia juice.  
 Rice, rice flour and rice meal.  
 Saffron, saffron cake, safflower, and extracts.  
 Sago, crude and flour.  
 Seasonings—  
   Mint  
   Parsley  
   Poppy seed  
   Sage  
   Savory  
   Sweet Marjoram  
   Thyme.

Soybean oil cake and oil cake meal.

Spices—

Allspice	Fenugreek seed
Aniseed	Fennel seed
Bay Leaves	Ginger
Capsicum	Mace
Cardamon	Marjoram
Caraway	Mustard seed
Cassia	Nutmegs
Celery seed	Paprika
Chillies	Pepper, black
Cinnamon	Pepper, white
Cloves	Rosemary
Coriander seed	Sweet Basil
Cumin seed	Tumeric.
Dill seed	

Tapioca and tapioca flour.

Tea.

Uncleaned screenings.

Vegetable oil seeds, and vegetable and other oil-bearing raw materials—

Sesame seeds  
 Fennel seed  
 Oil seeds, not elsewhere specified.

The following commodities are exempt from requiring an export permit when exported to any part of the British Empire:—

Cocoa beans, powdered cocoa, chocolate and products of cocoa or chocolate.

The following commodities are exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Cashew nuts; Cochin, seed; natural gums; tea.

The following commodities will now require an export permit when shipped to any country:—

Cocoa butter.  
 Cottonseed oil, crude or refined.  
 Oiticica oil.  
 Olive oil, edible or inedible.  
 Olive oil, sulphured or foots.  
 Perilla oil.  
 Rapeseed oil, crude or refined.  
 Tung oil.  
 Vegetable stearin.  
 Vegetable tallow and wax.  
 Other oils obtained from other varieties of palm kernels, refined or crude.  
 Peanuts.  
 Soy beans.

Sunflower seed.  
 Digitalis seeds.  
 Hyoscyamus, crude and extracts.  
 Nux vomica, crude.  
 Aconite, leaves and roots.  
 Belladonna, crude, extracts and products thereof.  
 Cube (timbo or barbasco) root, powder and extract.  
 Derris root, powder and extract.  
 Pyrethrum or insect flowers, powder and extract.  
 Red squill.  
 Stramonium, crude, extracts and products thereof.

## GROUP 2—ANIMALS AND ANIMAL PRODUCTS

The following commodities are added:—

Ambergris.  
 Animal fats and greases, not elsewhere specified.  
 Animal glands and animal glandular organs, n.o.p.  
 Cattle, ox, and calf tail hair, including switches.  
 Cochineal.  
 Fish and fish liver oil concentrates in bulk.  
 Gelatine.  
 Gelatine capsules, empty.  
 Green salted calf skin trimmings.  
 Hide trimmings.  
 Ice cream and ice cream mix.

Leather manufactures—

Belting  
 Box toes  
 Counters  
 Cut heels and soles  
 Cut seats  
 Garments, lined or unlined  
 Gloves and mitts.  
 Handbags, purses and reticules.  
 Harness and saddlery  
 Hats and caps  
 Moccasins and Indian slippers.  
 Milk and cream, fresh.  
 Musk, of animal origin.  
 Seal oil.



The following commodity is exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Animal glands and animal glandular organs n.o.p.

The following commodity will now require an export permit when shipped to any country:—

Bristles, pig.

### GROUP 3—FIBRES, TEXTILES AND TEXTILE PRODUCTS

The following commodities are added:—

Cotton pulpboard.

Felt base floor coverings.

Flax fabrics, narrow, including braid, webbing and tapes.

Handkerchiefs.

Hemp manufactures, n.o.p.

Imitation leather handbags, purses and reticules.

Jute manufactures, n.o.p.

Jute yarn, cordage and twine.

Linoleum.

Manufactures containing kapok.

Nylon and other synthetic textiles:

Braids, fringes and narrow trimmings, Nylon hosiery, women's and children's.

Oilcloth, table, floor, and pyroxylin-coated fabrics.

Ramie manufactures, n.o.p.

Sails, awnings, tents and tarpaulins.

Sisal or henequin manufactures, n.o.p.

Wool or hair, articles composed or in part of.

The following commodity is exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Cotton pulpboard.

The following commodities will now require an export permit when shipped to any country:—

Hemp, unmanufactured, and hemp yarn, twine, cord and cordage.

Isle or tampico, unmanufactured, and isle or tampico yarn, twine, cord and cordage.

Kapok.

Ramie, unmanufactured, and ramie yarn, twine, cord and cordage.

Sisal or henequin, unmanufactured, and sisal or henequin yarn, twine, cord and cordage.

Sunn, unmanufactured, and sunn yarn, twine, cord and cordage.

Canton, unmanufactured, and canton yarn, twine, cord and cordage.

Maguey, unmanufactured, and maguey yarn, twine, cord and cordage.

Pacol, unmanufactured, and pacol yarn, twine, cord and cordage.

### GROUP 4—WOOD, WOOD PRODUCTS, AND PAPER

The following commodities are added:—

Cork, corkwood or bark, in a natural, ground, milled, processed or semi-processed state.

Cork products (of which cork constitutes fifty per cent or more by volume, or of which cork is the single component material of chief value) including bottle tops, or crowns lined with cork.

Lignum vitae: Logs, boards and lumber.

Sandalwood.

Teakwood: Boards, planks, logs and scantlings.

Wood pulp, soda.

Wood pulp, sulphate, bleached and unbleached.

Wood pulp, sulphite, unbleached.

Wood pulp screenings.

Wood pulp, chemical, other.

All other wood pulp, including screenings.

The following commodities are exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Lignum vitae: Logs, boards and lumber.

Sandalwood.

Wood pulp, soda.

Wood pulp, sulphate, bleached and unbleached.

Wood pulp, sulphite, unbleached.

Wood pulp screenings.

Wood pulp, chemical, other.

All other wood pulp, including screenings.

## GROUP 5—IRON AND ITS PRODUCTS

The following commodities are added:—

Automobile tire-service equipment and parts.  
Bicycles.  
Cutlery.  
Electrical conduit.  
Elevators, freight and passenger, and parts therefor.  
Enamelware of iron or steel.  
Hacksaw blades, hand and power fixtures.

Hand tools and agricultural tools.  
Lavatories, sinks and other plumbing  
Wood pulp, sulphate, bleached and un-  
Wood pulp, sulphite, unbleached.  
Motorcycles.  
Office and store furniture, fixtures and parts.  
Office machinery and appliances.  
Tinplate containers, finished or unfinished.  
Wire cloth.

The following commodities are exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Ball and roller bearings and parts for machines.  
Cranes.  
Derricks.

Dredging machinery.  
Excavating and power shovels.  
Hoists.

The following commodities will now require an export permit when shipped to any country:—

Electrical machinery and parts.  
Engines, diesel and semi-diesel: Marine, stationary and portable.

Motor trucks and buses, and engines therefor.

## GROUP 6—NON-FERROUS METALS AND THEIR PRODUCTS

The following commodities are added:—

Cadmium dross.  
Molybdenum, semi-fabricated.  
Nickel, fabricated.

Silver and silverplated ware.  
Tungsten, fabricated.  
Zirconium sand.

The following commodities are exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Electrotypes being returned to owners after being used for printing purposes in Canada.

## GROUP 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

The following commodities are added:—

Carbon brushes and stock, carbon stoppers, lighting carbons and carbon products, n.o.p.  
Clays, not further manufactured than ground.  
Diamond saws.  
Earths, diatomaceous, infusorial, and Fuller's.  
Ganister.  
Glass, plate, window and sheet.  
Glassware, table.

Jewels and jewel bearings, industrial.  
Lavatories, sinks and other plumbing fixtures.  
Porcelain insulators.  
Pottery and chinaware of Canadian manufacture.  
Precious, semi-precious, and synthetic stones.  
Pumice, calcareous tufa, pumice stone and lava.

The following commodities are exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Carbon brushes and stock, carbon stoppers, lighting carbons and carbon products, n.o.p.  
Clays, not further manufactured than ground.  
Diamond saws.

Earths, diatomaceous, infusorial, and Fuller's.  
Ganister.  
Lavatories, sinks and other plumbing fixtures.

## GROUP 8—CHEMICAL AND ALLIED PRODUCTS

The following commodities are added:—

Acetate of lime, or calcium acetate.  
Acid, pyroligneous.  
Acids and acid anhydrides, n.o.p.  
Agar-agar.  
Alcohols and glycols, n.o.p.  
Amyl alcohol or fusel oil.

Aniline and coal tar dyes and intermediates, and other chemical preparations for dyeing or tanning, n.o.p.  
Aniline oil, aniline salts, alizarin and artificial alizarin.  
Argols and cream of tartar.



- Arnica, flowers, leaves or root, whole, granulated or powdered.  
 Arsenic salts and compounds, n.o.p., including arsenical medicinals.  
 Arsenous oxide.  
 Baking powder.  
 Benzyl chloride.  
 Beta naphthol.  
 Biological products, animal or vegetable, n.o.p., for parenteral administration, such as vaccines, antitoxins, and serums.  
 Bisulphate of soda or nitre cake (sodium acid sulphate).  
 Blood albumen.  
 Blueing, laundry.  
 Borax, fused, and borax glass.  
 Bromides, crude.  
 Caesium (cesium) salts and compounds.  
 Calcium chloride.  
 Camphor, natural and synthetic.  
 Carbon bisulphide and products containing carbon bisulphide.  
 Cellulose, regenerated (cellophane), in sheets or otherwise.  
 Cementing preparations for repairing, n.o.p.  
 Cements for sealing cans.  
 Charcoal, animal, n.o.p.  
 Chlorinated hydrocarbons, n.o.p.  
 Chlorinated phenols, n.o.p.  
 Chlorpicrin, ethylene oxide, methyl bromide, methyl formate, cyanides, or mixtures containing any of these.  
 Chlorotoluenes, n.o.p.  
 Chlorobenzenes, n.o.p.  
 Coal and pine pitch, burgundy pitch, and coal and pine tar.  
 Coal tar chemicals used in connection with explosives, n.o.p.  
 Colchicum.  
 Collodion.  
 Copper sulphate, all grades, including blue vitriol or bluesotne.  
 Creosote or dead oil.  
 Cyanogen bromide.  
 Dextrine, and combinations of starch and dextrine.  
 Dichlorethyl ether.  
 Diethylene glycol.  
 Digitalis compounds.  
 Dimethyl sulphate.  
 Dipentene.  
 Drugs, such as barks, flowers, roots, beans, berries, balsams, bulbs, fruits, insects, grains, herbs, leaves, nuts, fruit and stem seeds, n.o.p.  
 Elixirs, tinctures, fluid extracts, ampoules, and similar liquid solutions, n.o.p.  
 Ergot.  
 Ethyl chloride.  
 Ethyl ether.  
 Ethyl lactate.  
 Ethylene alcohol (ethylene glycol, diethylene glycol).  
 Ethylene glycol monoethyl ether.  
 Fatty acids and oils, sulphated and sulphonated.  
 Ferric ammonium oxalate (iron salt).  
 Ferric chloride.  
 Gaseous refrigerants (other than ammonia), n.o.p.  
 Gases, n.o.p. (liquefied, solidified, compressed).  
 Glue, n.o.p.  
 Guanidine.  
 Hexachlorbenzene.  
 Hexachlorethane.  
 Homatropine.  
 Hydrofluosilicic acid.  
 Indigo, indigo paste and extracts thereof.  
 Iron blues (Prussian blues, etc.).  
 Iron liquor, being solution of acetate or nitrate of iron.  
 Isopropyl acetate.  
 Isopropyl alcohol (isopropanol).  
 Lacquer solvents, n.o.p.  
 Lecithin.  
 Liquid gum inhibitors for treating petroleum distillates.  
 Liquor, red, being a crude acetate of aluminum prepared from pyroligneous acid.  
 Liquorice extract and mass.  
 Menthol, natural and synthetic.  
 Methylene chloride.  
 Methyl chloride.  
 Methyl ethyl ketone.  
 Methyl methacrylate fabricated products.  
 Muriacic acid (hydrochloric acid).  
 Nicotine; salts of nicotine, n.o.p., and preparations containing nicotine in a free or combined state, n.o.p.  
 Nitrous ether, sweet spirits of nitre.  
 Non-edible seeds, beans, nuts, berries, plants, weeds, barks and woods, and extracts and preparations thereof for dyeing or tanning.  
 Oil of citronella.  
 Organotherapeutical preparations, enzymes, ferments, etc., prepared from animal glands.  
 Paraformaldehyde.  
 Paris green, dry (copper acetoarsenite).  
 Pentachlorethane.  
 Perchlorethylene.  
 Peroxides of hydrogen.  
 Phosphoric acids.  
 Plasmochin.  
 Preparations or chemicals for disinfecting, dipping, spraying or fumigating, n.o.p.  
 Propylene dichloride.  
 Propylene glycol (methylethylene glycol).  
 Psyllium seed.  
 Pyroxylin plasters, cellulose acetate, cellulose ester plastics, including moulding compositions thereof, other synthetic plastic materials, n.o.p., and articles partially or fully fabricated therefrom.  
 Refrigerants, gaseous (other than ammonia), n.o.p.  
 Resins, synthetic, of all kinds, including synthetic resin moulding compositions made therefrom, and articles partially or fully fabricated therefrom.  
 Riboflavin.  
 Rochelle salts (potassium sodium tartrate).  
 Roots, medicinal, viz: alkanet, crude, crushed or ground; calumba, folia, digitalis, gentian, ginseng, jalap, ipecacuanha, iris, orris-root, liquorice, sarsaparilla, squills, taraxacum, rhubarb and valerian.  
 Rosin sizing.  
 Salt (Sodium chloride).  
 Scopalamine.  
 Senna.  
 Sodium salts and compounds, n.o.p.  
 Specialty cleaning and washing compounds, except when packaged for retail sale.

Stains and dressings, n.o.p., for wood, leather, etc.  
 Stains, coal-tar colours.  
 Sulfacetamide.  
 Sulfadiazine.  
 Sulfaguanidine.  
 Sulfanilamide.  
 Sulfapyridine.  
 Sulfathiazole.  
 Sulphate of iron (copperas).  
 Sulphuric ether; chloroform, n.o.p.; preparations of vinyl ether.  
 Sulphide of arsenic.  
 Sulphur.  
 Sulphuryl chlorides.  
 Tannic acid.  
 Tetrachlorethane.  
 Tetraethyl lead, compounds of, in which tetraethyl lead is the preponderant constituent by weight (ethyl fluid).

Thorium and mesothorium salts and compounds.  
 Trichlorethylene.  
 Triethanolamine.  
 Turpentine.  
 Urea.  
 Vitamins and viosterols (include food hormones, concentrates A, B, C, D, E, F, G, P and X, synthetics such as ascorbic acid, thiamin chloride, medicinal fish oil, yeast concentrate, wheat germ, etc.).  
 Water softeners, purifiers, boiler and feed water treatment compounds.  
 Xanthates.  
 Xylol (Xylene).  
 All chemicals not enumerated elsewhere in this Schedule.

The following commodities are exempt from requiring an export permit when shipped to any part of the British Empire or to the United States:—

Carbon black, including gas black.  
 Salt (Sodium chloride).

Biological products, animal or vegetable, n.o.p., for parenteral administration, such as vaccines, antitoxins, and serums.  
 Creosote or dead oil.

The following commodities will now require an export permit when shipped to any country:—

Boric acid.  
 Butadiene.  
 Guanidine nitrate.  
 Iodine, iodine salts and compounds.  
 Nitroguanidine.  
 Sodium bromide.  
 Explosives not included in Category VII of Group X:—  
 Aniline.  
 Borates.  
 Bromine.  
 Casein, casein glue and other casein manufactures.  
 Chromium tanning mixtures.

Strychnine and salts thereof.  
 Styrene.  
 Sulphur chlorides.  
 Tartaric acid.  
 Theophylline and salts thereof.  
 Thiodiglycol.  
 Fertilizers of every kind and analysis other than Ammonium Sulphate (See Ammonium Sulphate).  
 Rotenone.  
 Sodium acetate.

#### GROUP 9—MISCELLANEOUS

The following commodities are added:—

Azimuth (Astronomical) instruments  
 Binoculars.  
 Brushes.  
 Clocks, clock movements, watches, watch movements and metal watch attachments.  
 Jewellery.  
 Microscopes and accessories.  
 Recording instruments, n.o.p.  
 Technical data—  
 Any model, design, photograph, photographic negative, document, or other article or material containing a plan, specification, or descriptive or techni-

cal information of any kind (other than that appearing generally in a form available to the public), which can be used or adapted for use in connection with any process, synthesis or operation in the production, manufacture, reconstruction, servicing, repair, or use of any commodity other than those commodities listed in Group 10, of Schedule One of Order in Council P.C. 7674 of October 4, 1941.

Telescopes.

The following commodities are exempt from requiring an export permit when shipped to the United States:—

Technical data—  
 Any model, design, photograph, photographic negative, document, or other article or material containing a plan, specification, or descriptive or technical information of any kind (other than that appearing generally in a form available to the public), which can be used or

adapted for use in connection with any process, synthesis or operation in the production, manufacture, reconstruction, servicing, repair, or use of any commodity other than those commodities listed in Group 10 of Schedule 1 of Order in Council P.C. 7674 of October 4, 1941.



## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### DUTIES INCREASED ON TOBACCO, SPIRITS AND BEER

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the United Kingdom budget, introduced on April 14, increases the duty on imported tobacco by 10s. per pound, making the basic full rate £1 9s. 6d. per pound and the preferential rate accorded to Empire-grown tobaccos fulfilling Imperial preference conditions £1 7s. 5½d. per pound. (The basic rates are those applicable to unmanufactured, unstripped tobacco containing 10 pounds or more of moisture in every 100 pounds weight thereof; higher rates apply to tobacco with a lower moisture content, to stripped tobacco, and to manufactured tobacco).

On beer of average gravity, the cablegram states, there is an increase equivalent to 2d. per pint, and on spirits an additional £2 per proof gallon (about 40 per cent increase in each case).

The increased duties on tobacco, beer and spirits became effective on April 15.

Legislation is proposed to continue the present margin of preference on sugar for two years and on tobacco for one year. (The present full rate on sugar exceeding 95 but not exceeding 96 degrees polarization is 18s. 3.7d. per cwt. of 112 pounds, with preferential rates of 14s. 6.9d. per cwt. for Empire-grown sugar fulfilling Imperial preference conditions, and 11s. 6.9d. per cwt. for "quota" sugar which, in addition to fulfilling Imperial preference conditions, is covered by a Colonial Sugar Certificate. Rates are graduated on other degrees. The existing preference margin of 2s. ½d. per pound on unmanufactured tobacco was guaranteed to Canada in the Canada-United Kingdom Agreement of 1937 for five years, i.e., until August 19, 1942.)

The cablegram adds that the purchase tax on a number of luxury articles is increased from 33½ per cent to 66½ per cent ad valorem. (The purchase tax was explained in *Commercial Intelligence Journal* No. 1918 (November 2, 1940), page 602).

### Ireland

#### WHEAT-MIXING REGULATIONS

Mr. E. L. McColl, Canadian Trade Commissioner in Dublin, reports that the Minister for Agriculture has issued an Order under the Agricultural Produce (Cereals) Act, 1935, fixing at 70 per cent the national percentage of home-grown wheat to be milled in Eire by holders of milling licences during the cereal year September 1, 1942, to August 31, 1943.

### Bermuda

#### MAXIMUM PRICES FIXED FOR CERTAIN GOODS

The Bermuda Food and Supplies Control Board, which issues periodical orders under Defence Regulations of 1939 establishing maximum prices at which goods may be sold, published a schedule on April 6, 1942, continuing in force former maximum prices on many articles but introducing a few new items. The published list sets forth maximum prices as follows:—

Canadian cheese, 2s. 2d. per lb.; American Cheddar cheese, 2s. 6d., per lb.; New Zealand butter (bulk), 2s. 3d. per lb.; Argentine butter (bulk), 2s. per lb.; margarine, 1s. 6d. per lb.; canned condensed milk, 10½d. per tin; canned evaporated milk per 14½-ounce tin, 1st grade 9d. and 2nd grade 8d.; flour, 2½d. per lb.; cornmeal, 3d. per lb.; imported potatoes, 4d. per lb.; codfish, 10d. per lb.; North American beef, 10d. per lb. for shin, 1s. 8d. per lb. for chuck, and 1s. 4d. per lb. for brisket; North American breast lamb, 1s. 2d. per lb., and middle neck 1s. 4d.; white sugar, 4½d. per lb.; brown sugar, 2d. per lb.; brown rice, 3½d., or 4 lbs. for 1s.; standard grade tea (bulk), 3s. per lb.; standard grade coffee (bulk), 1s. 8d. per lb.; kerosene, 4d. per quart.

## Jamaica

### REGULATION OF USE AND SALE OF CORNMEAL WITH FLOUR RESCINDED

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, reports that the Jamaican official regulation, made as from June 16, 1941, and amplified as from September 1, of that year, to provide for the use of cornmeal with flour for baking bread and for the sale of cornmeal together with flour (see *Commercial Intelligence Journal* No. 1952, June 28, 1941, and No. 1965, September 27, 1941) has been rescinded with effect as from April 1, 1942.

## British Honduras

### REGULATIONS FOR TRANSHIPPED GOODS MODIFIED

British Honduras regulations of July 2, 1941, published in *Commercial Intelligence Journal* No. 1958 (August 9, 1941), page 171, modifying preferential tariff regulations, were further modified on December 10, 1941. Prior to July 2, 1941, direct shipment from a Canadian port was a necessary condition in qualifying for entry under the preferential tariff. The regulations of July 2, 1941, provided for granting tariff preference to Canadian goods transhipped at a foreign port if certain certificates respecting the routing of the goods were furnished. An Order of December 10, 1941, by addition of a proviso to the regulation which went into force on July 2, 1941, gives the Collector of Customs certain powers to waive this certification. The regulation governing transhipped goods now reads:—

Goods, the produce or manufacture of any part of the Empire, consigned to the Colony, which have been transhipped en route at a foreign port or have been shipped from a foreign port after overland transit from the Empire country of origin, shall not be entitled to preference unless such goods have passed through such foreign country in bond and are accompanied by a through Bill of Lading or Railway Consignment Note from the country of production to the Colony in support of the Certificate of Origin. Where a through Bill of Lading or Railway Consignment Note is not available, the Ocean Bill of Lading from the Foreign Port of Shipment must bear a certificate signed by the Steamship Company before the British Consul that the goods have passed through such foreign country in bond, giving the Empire Country of production and the number of the bonded car, in which case the Certificate of Origin shall also be attested by the British Consul. Provided that he is satisfied that all other necessary conditions have been fulfilled, the Collector of Customs may, in his discretion, admit goods on payment of the preferential rate of duty without the necessity of certification as aforesaid.

## United States

### QUOTAS SUSPENDED ON IMPORTS OF CERTAIN WHEAT AND WHEAT FLOUR

Mr. D. S. Cole, Canadian Trade Commissioner at New York City, writes under date April 17, 1942, that on May 28, 1941, a presidential proclamation limited the quantities of wheat and wheat flour which may be entered, or withdrawn from warehouse, for consumption in the United States.

A recent investigation and report indicated that the circumstances requiring the provisions of the proclamation of May 28, 1941, with respect to wheat and wheat flour hereinafter described do not exist. Therefore, on April 13, 1942, the President issued a proclamation suspending the provisions of the proclamation of May 28, 1941, so far as they apply to the following wheat and wheat flour:

#### 1. WHEAT AND WHEAT FLOUR FOR EXPERIMENTAL PURPOSES

(a) Samples of wheat or wheat flour in lots of 10 pounds or less, for use by research or scientific organizations or by milling or baking laboratories for testing, experimental, research or other scientific purposes.

(b) Wheat or wheat flour in lots of more than 10 pounds, for use by research or scientific organizations or by milling or baking laboratories for testing, experimental research, or other scientific purposes, whenever the written approval of the Secretary of Agriculture or his designated representative is presented at the time of entry, or whenever bond is furnished in a form prescribed by the Commissioner of Customs, in an amount equal to the



value of the merchandise as set forth in the entry, plus the estimated duty as determined at the time of entry, conditioned upon the production of such written approval within six months from the date of entry.

## 2. SEED WHEAT

(a) Certified or registered seed wheat for use for seeding and crop-improvement purposes, in bags tagged and sealed by an officially recognized seed-certifying agency of the country of production, in lots of 100 bushels or less.

(b) Certified or registered seed wheat for use for seeding and crop-improvement purposes, in bags tagged and sealed by an officially recognized seed-certifying agency of the country of production, in lots of more than 100 bushels, whenever the written approval of the Secretary of Agriculture or his designated representative is presented at the time of entry, or whenever bond is furnished in a form prescribed by the Commissioner of Customs, in an amount equal to the value of the merchandise as set forth in the entry plus the estimated duty as determined at the time of entry, conditioned upon the production of such written approval within six months from the date of entry.

## 3. DISTRESS DIVERSIONS OF WHEAT AND WHEAT FLOUR

Any shipments of foreign wheat or wheat flour which, because of military, naval, or other emergency, act of God, or governmental act, has, in the course of its movement to a foreign country, been diverted to the United States or to any of its territories or possessions, whenever the Secretary of Agriculture or his designated representative advises the Commissioner of Customs that the shipment of such wheat or wheat flour to a foreign destination is not practicable.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 20, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 20, 1942, and for the week ending Monday, April 13, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 13	Nominal Quotations in Montreal Week ending April 20	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2282	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2631	.2627	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6336	.6349	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

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## British West Indies

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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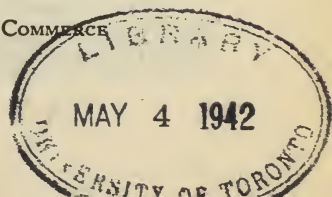
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L. D. WILGESS, DEPUTY MINISTER





## HOG MARKET CONDITIONS IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, April 20, 1942.—In view of the regulation of pork prices in Canada and the encouragement to Canadian farmers to expand hog production as much as possible in order to meet United Kingdom requirements, the following summary of United States hog market conditions is submitted for the information of Canadian producers and exporters.

### PRODUCTION

The war and the defence program were important factors affecting the hog situation in the United States during the past year. Early in 1941 hog prices were at a relatively low level, and the downward trend in hog production then in progress appeared likely to continue for a year or longer. But in March of that year purchasing of pork and lard under the Lend-Lease Act began, and in April farmers in this country were also urged to increase production by feeding hogs to heavier weights and increasing their numbers.

The total number of hogs slaughtered under federal inspection during the calendar year 1941 was 46,520,000 as compared with 50,398,000 in 1940 and 41,368,000 in 1939. The average live weights per hog for these years were 241 pounds, 232 pounds and 235 pounds respectively.

The production and average yield of pork and lard under federal inspection during the same period was as follows:—

#### *United States Production and Average Yield of Pork and Lard*

	Production Million Pounds		Average Yield per Hog Pounds	
	Pork	Lard	Pork	Lard
1939 . . . . .	5,552	1,272	134.2	30.8
1940 . . . . .	6,614	1,527	131.2	30.4
1941 . . . . .	6,345	1,526	126.4	32.9

The number of pigs raised during the fall of 1941 is estimated at 35.6 million, the largest fall crop on record and 18 per cent above the figure for the corresponding period of 1940. This increase will be reflected in materially larger supplies of hogs during the late spring and summer of 1942. The number of sows expected to farrow in the 1942 spring season is estimated to be 28 per cent larger than in 1941. Other conditions being equal, this should result in a 1942 spring pig crop of about 62 million head; the highest previous record for spring crops was 54.5 million in 1927. Consequently slaughter supplies of hogs will be exceptionally large next fall and winter, and for the 1942 calendar year the Bureau of Agricultural Economics forecasts a total of about 54 million and a figure possibly as high as 60 million in 1943; the previous record was 53.3 million in 1923.

### GOVERNMENT PURCHASES

On April 9 the Agricultural Marketing Administration announced that it had requested packers operating under federal inspection to offer for sale to the Government at least two-fifths of their production of pork cuts and canned pork and two-thirds of their production of lard and hog casings in order to meet lend-lease requirements of Great Britain and Russia during the late spring and early summer. These packers normally handle about two-thirds of the country's total production of pork.

The production of all meats under federal inspection in the period April to September of this year is expected to be about 10 per cent larger than in the corresponding period of 1941. Consequently, even with lend-lease purchases of

pork as large as now planned, it is estimated that the supply of meat for domestic consumption will be only 5 to 10 per cent smaller than in the 1941 period and about equal to the supply during April-September, 1940.

The Agricultural Marketing Administration reported that these pork purchases would be made at prices not exceeding a fixed schedule and in conformity with the price ceilings recently established by the Office of Price Administration.

During the twelve-month period since government purchasing began in mid-March, 1941, the total quantities acquired amounted to 288 million pounds of cured and frozen pork, 364 million pounds of canned pork and 451 million pounds of lard. These quantities are roughly equivalent to the pork products from about 6 million hogs and the lard from 13 million hogs. Inspected slaughter during this period totalled approximately 48 million head.

### PRICES

Effective March 23 for a 60-day period, price ceilings were placed on pork and pork products by the Office of Price Administration. The order, covering dressed hogs and the various types of pork cuts such as fresh and cured hams, picnics, loins, Boston butts, etc., established maximum prices at the highest wholesale levels prevailing during the period March 3 to March 7 of this year. A press report from Washington on April 15 indicated that certain revisions were being made in the price control regulations to offset the advantage gained by certain sellers who made unwarranted price advances in anticipation of the establishment of the price ceiling. According to the amendment, the base period is altered to February 16 to 20, 1942, with provisions for certain specified additions to cover the rise in price of hogs in the interval preceding the original base period.

Reflecting a sharp reduction in marketings and a continued strong demand for pork and lard, there was a marked advance in hog prices during February and early March. These prices, on which the ceiling order is based, were at the highest level recorded since 1926. For the week ending March 14 the average price of live hogs at Chicago was \$13.42 as compared with an average of \$9.45 for 1941. The highest price during the February period was \$13.25 and, with the additions referred to above together with certain others to cover special requirements and export packing, it is estimated that in general hog prices cannot exceed \$14.

Ceiling prices for lard were established on December 13, 1941, at 9.85 cents per pound, based on prices prevailing on November 26. On January 2 this price was raised to 10.93 cents and on February 4 to 12.695 cents.

### NEW TYPES OF LARD FOR UNITED STATES ARMY

To meet the special needs of the United States armed forces, two special types of lard have been produced by the meat-packing industry.

Each of the two types has been designed to meet a special need. The first, "defence" style, is a lard that has been stiffened by the addition of a small percentage of hydrogenated lard flakes. Addition of these flakes raises the melting point and the plasticity of the lard to a point where, in the opinion of army authorities, the lard can be used successfully under circumstances wherein no refrigeration may be available for relatively long periods of time and the lard may be subjected to abnormally high temperature conditions on manoeuvres, etc. The second type of lard has been developed especially for overseas use by the army. It is identical with the first type except that a very small percentage of an anti-oxidant has been added to ensure that the lard will remain sweet for the long periods of time necessary to transport it to any point in the world



where United States forces may be located. All this lard is packed in hermetically sealed containers.

Both types of lard are required by army specifications to meet quality standards of the American Meat Institute. It is stated that the addition of the two products needed for manufacture does not add greatly to the producing cost.

## FRUIT AND VEGETABLE ARRIVALS AT NEW YORK CITY IN 1941

C. H. WEST, ASSISTANT TRADE COMMISSIONER

New York, April 21, 1942.—The United States Department of Agriculture has recently published its annual summary of unloads of all fresh fruits and vegetables at New York City markets during the calendar year 1941. The report covers arrivals by rail, boat and truck, although, because of the large number of retail outlets that are serviced by truck, it is not possible to obtain a complete record of truck unloads. There were receipts of 58 vegetables and 45 fruits from 43 states and 15 foreign countries.

Total unloads in New York City of all fresh fruits and vegetables during the year, exclusive of miscellaneous commodities (peanuts, coconuts and Christmas trees and greens), were 196,519 cars as compared with 207,778 in 1940.

Arrivals by rail and boat were under those of 1940 during the early months but improved considerably toward the close of the year, and the total of 121,454 cars represented a decline of slightly more than 3 per cent. On the other hand, truck receipts declined rather rapidly in the latter half of the year, and the total of 75,065 cars was about 9 per cent under the 1940 figure.

The summer drought in nearby states, resulting in a smaller vegetable crop, was responsible for much of the decrease in truck receipts. Also many itinerant truck drivers were attracted to other work under the war effort by the higher wages offered. Boat service to New York was considerably curtailed on account of the war, although total boat unloads showed no greater decrease for the year on this account. However, indications are that henceforth an increasing proportion of fruits and vegetables will be moved by rail.

## PRINCIPAL COMMODITIES IN THE TRADE

The largest item entering into this trade was potatoes, of which there were unloads of 22,060 cars, amounting to slightly over 11 per cent of all entries. Oranges was the second most important commodity, accounting for 20,593 cars or 10 per cent of the total volume of fruits and vegetables. Bananas were next in importance (10,043 cars), followed by lettuce (9,571 cars), apples (9,023 cars), and tomatoes (8,751 cars).

The foregoing six items accounted together for 40 per cent of total unloads. The traffic in these commodities has varied little in the last three years. Other major items were grapes, grapefruit, onions, peaches, snapbeans, cabbage and spinach, in the order named, although these were all considerably lower in volume.

A great part of the fruits and vegetables consumed in New York City is produced in the surrounding area. Thus 42,874 carloads of the entries originated in New York State and 13,525 carloads in the adjacent State of New Jersey. With the addition of 40,297 carloads from California and 31,599 carloads from Florida, arrivals from these four states alone accounted for almost two-thirds of all fruits and vegetables brought into New York City during 1941.

## IMPORTS

Produce imported from sources outside the United States totalled 20,153 carloads. Cuba was the principal supplier with 4,668 carloads, followed by

Puerto Rico with 1,865 carloads and Canada with 932 carloads. Of the arrivals from the Dominion, 925 carloads were delivered by rail and boat, the equivalent of only 7 carloads coming by truck.

The following table shows receipts in New York City in 1941 and 1940 of items of principal interest to Canada; figures for chief sources of supply for 1941 are for the first eleven months only, as these are not available for December:—

*Imports of Items of Interest to Canada*

	1941	1940
	Carloads	
Apples—		
Total from all sources . . . . .	9,023	10,131
Canada . . . . .	67	157
New York . . . . .	3,638	3,758
Washington . . . . .	1,847	1,851
Blueberries and Huckleberries—		
Total from all sources . . . . .	301	328
Canada . . . . .	9	4
New Jersey . . . . .	139	124
Pennsylvania . . . . .	44	120
Potatoes—		
Total from all sources* . . . . .	22,058	23,542
Canada . . . . .	144	167
New York . . . . .	10,062	9,560
Maine . . . . .	4,780	5,449
Idaho . . . . .	1,058	1,208
New Jersey . . . . .	435	411
Turnips and Rutabagas—		
Total from all sources . . . . .	1,345	1,418
Canada . . . . .	695	742
New York . . . . .	472	401
New Jersey . . . . .	131	160
Christmas Trees—		
Total from all sources . . . . .	617†	409
Canada . . . . .	*	375
Maine . . . . .	46	17
Vermont . . . . .	20	14

\* A quantity of Canadian stock imported through Port Newark and trucked to New York is not included in these figures.

\* Figure not available. † In addition to the total of cars unloaded, 62 cars were dumped

## MARKETS FOR FISH IN PERU, ECUADOR, CHILE AND BOLIVIA

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, April 6, 1942.—There is a market for limited quantities of canned fish in the four countries included in the territory covered by this office, provided prices are competitive with those of similar United States products. If dried fish could be offered by Canadian exporters in sealed containers, possibilities exist for the initiation of considerable business, particularly in codfish. Since fish shipments from Canada must be routed through the tropics and since refrigeration facilities are at present inadequate, fresh frozen, salted or dried fish packed in ordinary wooden containers is not salable in these markets. In addition, Ecuador, Peru and Chile have extensive coastlines off which there are abundant supplies of most varieties of salt-water fish. Following is a review of market conditions in the individual countries.

### Peru

(One Peruvian sol equals 17.1 cents Canadian; one metric ton equals 2,205 pounds; one kilo equals 2.2 pounds.)

#### FRESH FISH

Fresh fish is available in the waters all along the Peruvian coast, and any periodic shortages on local markets result from lack of distribution facilities rather than from inadequate supplies. The main difficulty is to ensure that the fish reaches the consumer in good condition, since, due to the warm and humid climate, the fish must be sold as quickly as possible.



## DRIED FISH

Dried fish has in the past been purchased mainly from Norway, and imports have decreased with the extension of hostilities to the Scandinavian countries. The following table shows imports during the past six years from the three suppliers, Norway, Brazil, and Japan.

*Peruvian Imports of Dried and Smoked Fish*

	Total Tons	Norway Tons	Brazil Tons	Japan Tons
1936 . . . . .	210	112	54	26
1937 . . . . .	214	132	27	38
1938 . . . . .	270	182	37	31
1939 . . . . .	179	95	36	26
1940 . . . . .	143	89	23	16
1941 . . . . .	25	*	*	*

\* Figures not available.

The bulk of the imports shown in the foregoing table are dried codfish from Norway, packed in sealed containers. Inquiries for Canadian codfish have been received at the Lima Office, but the current shortage of supplies, coupled with the fact that dried fish in wooden cases, kegs or barrels does not usually arrive in good condition, has precluded the placing of any business. Some type of hermetically sealed packing is absolutely necessary, although formerly this added expense would have raised Canadian prices far above Norwegian quotations. Three years ago a trial shipment of four tons of dry salt herrings and half a ton of dry salt salmon packed in wooden cases was made from Vancouver to Lima in order to ascertain whether it would stand up under ordinary transport conditions, but the fish was found to be unsalable. On account of high laid-down costs it was also in an unfavourable competitive position as compared with Norwegian dried codfish, which was offered in airtight tin containers of either five kilos (11 pounds) net, packed eight to a wooden case or ten kilos (22 pounds) net four to a case.

There are also imports of dried shrimps, mainly from the United States. Total arrivals in 1941 amounted to 73 tons (\$42,000) as compared with 43 tons (\$15,000) in 1940. Of this latter quantity, the United States supplied 37 tons (\$14,000). Details of 1941 imports by countries of origin are not yet available. Some dried shellfish is brought in, mainly from China, total arrivals in each of the last two years varying from 9 to 6 tons valued at approximately \$1,000.

## CANNED FISH

There is a limited market for canned fish in Peru, but only at prices competitive with those of United States brands. The Peruvians do not use much canned food and, with fresh fish available at reasonable prices, there is only a fair demand for the canned product. Sardines are the most popular type, followed by salmon. Total importations of all canned fish into Peru in 1941 amounted to approximately 156 tons (\$45,000) as compared with 354 tons (\$63,000) in 1940. Of the 1940 shipments, the United States supplied 210 tons (\$32,000). Imports in 1940, the last year for which details are available, were as follows:—

*Peruvian Imports of Salmon in 1940*

	Kilos	Soles
Total . . . . .	78,219	59,603
Argentina . . . . .	56	62
Canada . . . . .	220	287
Chile . . . . .	71	56
United States . . . . .	71,505	54,250
Great Britain . . . . .	381	950
Japan . . . . .	5,983	3,961
Sweden . . . . .	3	36

*Peruvian Imports of Sardines in 1940*

	Kilos	Soles
Total .. . . .	202,309	175,533
Ceylon .. . . .	5,739	4,175
Spain .. . . .	1,170	3,420
United States .. . . .	128,566	102,029
France .. . . .	482	920
Great Britain .. . . .	364	1,484
Holland .. . . .	90	314
Japan .. . . .	44,404	26,079
Norway .. . . .	126	662
Portugal .. . . .	21,366	36,449

*Peruvian Imports of Preserves, not Specially Classified, of Fish or Shellfish, Prepared in Any Form*

	Kilos	Soles
Total .. . . .	73,501	135,788
Argentina .. . . .	1,247	3,120
Canada .. . . .	466	1,986
Cuba .. . . .	148	503
Chile .. . . .	9,319	9,061
China .. . . .	11,443	5,068
Spain .. . . .	3,634	16,253
United States .. . . .	9,624	25,964
France .. . . .	31	328
Great Britain .. . . .	858	2,553
Hongkong .. . . .	562	478
Iceland .. . . .	69	447
Italy .. . . .	4,931	14,768
Japan .. . . .	29,952	51,103
Norway .. . . .	117	608
Portugal .. . . .	926	3,119
Sweden .. . . .	166	417

The foregoing tables illustrate the predominant position held by the United States in this trade. Details of imports in 1941 are not yet available, but it is estimated that supplies from that country were considerably greater than in 1940. The elimination of cheap supplies from Japan since the outbreak of war will be felt in 1942, and when Canadian supplies of canned fish become available they will have to meet United States competition. This is admittedly difficult, as shipping charges from American ports are lower, United States brands are better known, and the principal importers in Peru have established connections in that country.

**MARKET PROSPECTS**

There should continue to be a market for canned fish in Peru, at least for the amounts shown in the foregoing tables. The types of salmon for which there is a demand are mainly pinks and chums, and it is doubtful whether the better grades would be favoured by purchasers so long as the usual price differential prevails. Japan and the United States have heretofore shared the bulk of the trade in sardines. Some Canadian canned pilchards in tomato sauce were recently offered to the trade and were quickly sold, although out of eight leading importers, only the firm which eventually purchased the lot expressed any interest.

**Ecuador****FRESH, FROZEN, SALT AND DRIED FISH**

The comment on conditions in Peru is equally applicable to the fish market situation in this Republic. There is a plentiful supply of fresh fish, and shipment from Canada of fish other than canned varieties is at present impracticable.

**CANNED FISH**

No official trade returns have been issued since 1933, but a reliable estimate places the value of annual imports, mainly of sardines, at around \$70,000.



Preliminary customs figures for 1940 showed total sardine arrivals as 270 tons (\$36,000). This is only 50 per cent of the amount recorded for 1939, but it is estimated that there was an increase in 1941.

### MARKET PROSPECTS

Sales of Canadian canned fish in this market will depend on the success with which competition can be met from the United States. The limits of the market are indicated by the import figures. The buying power of the native population is low, and sales are restricted accordingly. In the past certain amounts of salmon have entered Ecuador, but sales are principally of sardines.

### Chile

(One Chilean peso equals approximately 12 cents Canadian; one kilo equals 2.2 pounds.)

#### FRESH, FROZEN, DRIED, SALTED FISH

Prospects for sales of these types of Canadian fish are unfavourable. In addition to the difficulties presented by the lack of adequate transportation facilities and an abundance of domestic supplies of fresh fish, Chile has been endeavouring to stimulate the national fishing industry, and it is improbable that foreign exchange would be made available for imports.

#### CANNED FISH

The Chilean Exchange Control Commission has taken the stand that canned fish is a luxury, and it is therefore difficult to obtain the necessary permits for its importation. Imports of the various items of canned fish in 1939, the last year for which statistics are available, were as follows:—

#### *Chilean Imports of Preserves of Fish and Shellfish in 1939*

	Kilos	Pesos
Total .....	10,542	23,464
Germany .....	698	2,041
Denmark .....	236	453
Spain .....	300	695
United States .....	363	1,109
France .....	457	1,469
Great Britain .....	1,084	1,758
Holland .....	91	60
Italy .....	2,264	7,128
Japan .....	98	220
Norway .....	260	178
Portugal .....	2,804	4,727
Sweden .....	362	535
Yugoslavia .....	1,520	3,075

#### *Chilean Imports of Canned Salmon in 1939*

	Kilos	Pesos
Total .....	71,663	79,704
Germany .....	264	1,049
Canada .....	15,604	12,596
United States .....	36,085	44,651
Great Britain .....	4,684	6,465
Italy .....	6,100	9,644
Japan .....	8,926	5,299

#### *Chilean Imports of Canned Sardines in 1939*

	Kilos	Pesos
Total .....	308,139	253,666
Germany .....	2,715	2,216
Spain .....	158,533	126,475
United States .....	19,057	15,372
France .....	506	955
Great Britain .....	152	254
Italy .....	9	35
Japan .....	7,762	3,846
Norway .....	8,711	9,619
Portugal .....	110,694	94,894

It is apparent from the foregoing tables that the sources of Chile's imports of canned fish are more diversified than those of Peru and Ecuador. Spain and Portugal were important suppliers of sardines, Canada was the source of a certain amount of canned salmon, and Yugoslavia and Italy formerly supplied some quantities of canned fish or shellfish. Although supporting statistics are not available, current imports will be mainly limited to those from the American continents. Within the country greater emphasis is being placed on the value and importance of the products of Chilean canneries. Fresh lobsters are caught in Chile, so there is little demand for the imported product.

### MARKET PROSPECTS

The opportunities for the sale of Canadian fish in Chile are only fair, in view of the strict exchange control and the efforts being made to increase domestic production. The Corporacion de Fomento, a semi-fiscal organization set up by the Government, was reportedly lending money to the canneries last year for the purchase and installation of modern machinery. These plants were to pack and export canned tuna fish, sardines and swordfish. According to the trade, a sort of second-class chum salmon, actually more of a tunnyfish, is now being offered for sale by Chilean packers. A fair demand for Canadian canned salmon might be maintained provided prices are not higher than those of salmon from the United States. Since duties are high, sales would be limited, and all imports would be dependent on the availability of exchange. Some recent orders have been received from Chile by British Columbian canners of sardines, and under more favourable conditions this business might be expanded.

### Bolivia

(One boliviano equals approximately 36 cents Canadian; one kilo equals 2·2 pounds.)

#### FRESH, FROZEN, DRIED AND SALTED FISH

Bolivia, being an inland country, is more dependent on imports than Peru, Ecuador or Chile. It is unlikely that dried or salted Canadian fish would withstand the long voyage through the tropics and the haul by rail into Bolivia but, according to the 1939 trade returns, 5·7 tons of salted fish from the Dominion, valued at approximately \$684, entered this country. The value seems low in proportion, and no further details are available. It is doubtful, however, whether any but airtight containers would be suitable for packing shipments to Bolivia. The following tables show imports of dried and salted fish in 1939, the latest year for which figures are available:—

#### *Bolivian Imports of Dried Fish in 1939*

	Kilos	Bolivianos
Total . . . . .	26,913	13,539
Norway . . . . .	12,739	6,307
Germany . . . . .	8,452	3,306
Argentina . . . . .	2,435	1,087
Denmark . . . . .	2,136	1,613
United States . . . . .	315	205
Belgium . . . . .	285	674
Japan . . . . .	198	123
Brazil . . . . .	195	60
United Kingdom . . . . .	121	99
Holland . . . . .	23	40



*Bolivian Imports of Salted and Pressed Fish in 1939*

	Kilos	Bolivianos
Total .....	153,183	65,206
United States .....	70,072	27,116
Chile .....	38,436	13,974
Japan .....	27,807	10,657
Canada .....	5,714	1,894
Germany .....	2,397	2,714
Peru .....	2,333	1,111
United Kingdom .....	2,001	2,791
Portugal .....	1,610	1,839
France .....	1,057	1,435
Brazil .....	992	465
Argentina .....	338	566
Spain .....	236	409
India .....	99	86
Italy .....	65	112
Holland .....	24	30

## CANNED FISH

Chief imports of canned fish into Bolivia are of sardines. Total arrivals in 1939 were valued at almost \$36,000, Japan being credited with approximately \$10,700 worth and the United States with \$10,000. The total value of other imports of canned fish amounted to slightly more than \$6,000, although it is estimated that the present demand would exceed that figure. In addition there were some small imports of fish paste, \$3,300 worth of caviar, and \$3,600 worth of anchovies.

Details of imports of canned fish in 1939 are shown in the following tables:—

*Bolivian Imports of Sardines in Oil or Tomato Sauce in 1939*

	Kilos	Bolivianos
Total .....	337,106	99,251
Japan .....	135,462	29,754
United States .....	86,968	27,949
Chile .....	50,746	10,052
Germany .....	21,420	8,223
Peru .....	13,555	2,539
Portugal .....	12,901	7,832
Norway .....	9,728	6,228
United Kingdom .....	2,718	3,919
Belgium .....	2,530	1,466
Brazil .....	834	968
Spain .....	194	195
Holland .....	20	56
France .....	19	35

*Bolivian Imports of Canned Fish in General in 1939*

	Kilos	Bolivianos
Total .....	13,222	17,995
United States .....	10,628	12,595
United Kingdom .....	1,362	3,625
Japan .....	948	1,277
Chile .....	138	187
Germany .....	85	220
Argentina .....	31	79
Peru .....	30	12

*Bolivian Imports of Fish Pastes in 1939*

	Kilos	Bolivianos
Total .....	457	548
Japan .....	293	293
United Kingdom .....	97	120
France .....	58	70
Germany .....	9	65

*Bolivian Imports of Anchovies in 1939*

	Kilos	Bolivianos
Total .....	5,340	10,091
Italy .....	2,299	4,408
United States .....	1,330	2,592
Portugal .....	935	1,801
United Kingdom .....	386	546
Argentina .....	160	175
Chile .....	113	268
France .....	63	108
Spain .....	39	124

*Bolivian Imports of Caviar in 1939*

	Kilos	Bolivianos
Total .....	796	9,298
United Kingdom .....	334	4,800
United States .....	295	1,704
Germany .....	131	2,607
Chile .....	35	168

A limited sale of Canadian dried and salted fish in airtight containers and of general lines of canned fish, particularly sardines, may be possible if United States competition can be met. Foreign exchange is freely available at present to meet commercial transactions, and this situation may be expected to continue as long as Bolivian tin, the chief export product, is in good demand. There is no domestic fishing industry of any importance in the country, and the improving economic position of Bolivia will doubtless bring about a greater demand for imported fish. The lower-priced grades would sell most readily.

## SUMMARY

Possibilities for the sale of Canadian fish in Ecuador, Peru, Chile and Bolivia are limited. The best prospects seem to be for canned sardines; some salmon is salable at low prices. Quotations must be competitive with those of United States canners, and apparently some type of hermetically sealed container will have to be developed if the sale of dried or salted fish is to be successfully undertaken. Current prices are no indication of future trends, since, on account of the shortage of supplies, lack of tinplate for packing, and the difficulty of obtaining shipping space, dealers are willing to pay, within reasonable limits, higher prices as their stocks decline.

The office of the Canadian Trade Commissioner at Lima is in touch with prospective importers, and correspondence is invited from Canadian exporters in a position to supply these markets. It would assist materially in obtaining results if full details of the types of fish products offered, brands, sizes of tins, number of tins to a case, and sample labels were supplied in the first instance. Quotations should preferably be c.i.f. west coast of South America ports—Guayaquil for Ecuador; Lima or Mollendo for Peru; Mollendo (Peru), Arica (Chile) or Antofagasta (Chile) for Bolivia; and Antofagasta and Valparaiso for Chile. If prices cannot be quoted on this basis, they should be quoted at least free on board steamer at port of shipment.

In view of the requirement of the Canadian Foreign Exchange Control Board that final payment for shipments to these countries must be effected in United States dollars, confusion will be avoided if prices are quoted in that currency. The rate of commission allowed to an agent should be clearly stated, and any discounts granted for special terms should also be mentioned. Arrangements should be made regarding the provision of war-risk insurance and as to whose account it will be for. In the case of Bolivia an indication should be given as to whether the maritime insurance could be arranged to contain a "warehouse



to warehouse" clause, which would cover the rail journey from the port to La Paz. The use of samples is the best method of introducing any new product, and half a dozen of these are useful if a canvass of the trade is to be undertaken by the Trade Commissioner. The co-operation of this office in selecting suitable agents or importers is gladly extended, and provision of the above-mentioned information will greatly facilitate efforts on behalf of prospective Canadian exporters.

## FISH MARKETS IN CUBA

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### II. Dried, Salted, Smoked, and Pickled Fish—Con.

#### HADDOCK, MULLET AND SKATE

The Cuban trade in these types of fish is small and unimportant. The following table gives the import figures by sources of supply for the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Dried, Salted Haddock, Mullet and Skate*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Canada .. . . .Kg. ....	17,954	77,222	64,543	6,737	.....	1,485	.....	31,433	
\$ .....	1,910	7,551	5,712	680	.....	105	.....	5,281	
United States .. .Kg. ....	2,412	11,255	372,389	.....	.....	.....	.....	6,492	
\$ .....	283	1,256	21,340	.....	.....	.....	.....	941	
United Kingdom .. .Kg. ....	6,498	573,799	840,639	57,216	11,925	9,957	.....	.....	
\$ .....	649	58,838	75,583	5,501	1,196	1,025	.....	.....	
Portugal .. . . .Kg. ....	1,053	.....	927	.....	974	3,024	819	.....	
\$ .....	119	.....	155	.....	131	409	55	.....	
Norway .. . . .Kg. ....	.....	3,609	17,197	.....	.....	12,243	.....	.....	
\$ .....	.....	373	1,613	.....	.....	1,568	.....	.....	
Hongkong .. . . .Kg. ....	.....	.....	.....	.....	.....	.....	.....	.....	342
\$ .....	.....	.....	.....	794	.....	.....	.....	.....	51
China .. . . .Kg. ....	.....	.....	.....	72	.....	.....	.....	.....	.....
\$ .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Spain .. . . .Kg. ....	2,500	.....	21,678	.....	.....	.....	.....	.....	.....
\$ .....	140	.....	2,300	.....	.....	.....	.....	.....	.....
Mexico .. . . .Kg. ....	7,797	.....	.....	.....	.....	.....	.....	.....	.....
\$ .....	1,000	.....	.....	.....	.....	.....	.....	.....	.....
Total weight .. .Kg. ....	11,350	30,473	702,078	1,278,365	64,927	27,192	12,261	6,492	31,775
Total value .. . \$ .....	1,259	3,215	71,713	102,707	6,312	3,173	1,185	941	5,332

All the imports of mullet come from Florida. This fish is generally known there as mullet and in Cuba as "lisa". It is not known to be a product of the northern fish exporting countries. It is some 16 to 18 inches long, sun-dried and salted, but is a poor type of fish with an inferior food value. Almost all the imports from the United States are mullet.

The imports of skate are negligible, the small quantity which does come in being for the Chinese trade.

Haddock is not a popular fish in this country, and consumption is small in comparison with that of codfish. The latter is the standard dried salt fish by which all others are judged throughout the island, and no other type is considered to be its equivalent in food value. Accordingly it is seldom that haddock, hake and similar types can command the price which they bring in other markets or which they merit because of their food value. This undeserved opinion of haddock and the consequent price disadvantage under which it labours is due chiefly to a misunderstanding with respect to its food value and to its appearance rather than to any actual inferiority. Were supplies of haddock available, the present would provide an excellent opportunity to introduce this fish more widely and to increase its popularity to the point where it would be much more acceptable in the future and would bring a price more nearly equal to that of codfish.

Canada was the sole supplier of haddock in 1941. In previous years the United Kingdom shipped small quantities in split and dried salt form, together with a certain amount of boneless finnan haddie and some fillets. Because of lack of shipping space, this trade has disappeared for the present.

The statistics for the years 1935 and 1936 are completely abnormal. No explanation could be obtained in local fish import circles of the phenomenal increases in the imports shown for those two years. The consensus of opinion is that they are due to the clearance under the tariff item covering haddock of other types of fish such as codfish, which carry higher duty rates.

The customs duties and other charges on this class of fish are the same as those applicable to dried and pressed sardines, as enumerated in the preceding section, which deals with that type of fish.

### HAKE

Hake also is not a popular fish in Cuba. The same comments as those made above in respect to haddock apply generally to this fish. The following table shows the imports during the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Dried, Salted Hake*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Canada . . . . .Kg.	1,092	108,864	64,146	38,126	14,173	.....	2,340	2,300	41,379
\$	130	10,540	5,153	3,332	1,490	.....	290	325	6,548
Iceland . . . . .Kg.	.....	.....	.....	.....	.....	.....	18,570	8,345	20,622
\$	.....	.....	.....	.....	.....	.....	1,400	1,384	3,337
United States . . . .Kg.	407	439	11,012	1,604	684	1,162	26	29,634	463
\$	75	216	1,657	143	202	237	7	4,212	125
Norway . . . . .Kg.	.....	12,985	6,425	2,430	2,225	.....	.....	21,349	.....
\$	.....	1,248	851	273	279	.....	.....	2,795	.....
United Kingdom . . .Kg.	2,475	.....	19,865	2,200	9,247	39,760	.....	.....	.....
\$	212	.....	2,382	308	995	3,933	.....	.....	.....
China . . . . .Kg.	486	.....	1,029	556	5,994	.....	.....	.....	.....
\$	119	.....	405	43	740	.....	.....	.....	.....
Hongkong . . . . .Kg.	.....	.....	.....	.....	100	.....	.....	.....	.....
\$	.....	.....	.....	.....	8	.....	.....	.....	.....
Denmark . . . . .Kg.	.....	112,967	.....	.....	.....	.....	.....	.....	.....
\$	.....	13,564	.....	.....	.....	.....	.....	.....	.....
Canary Islands . . .Kg.	.....	.....	490	.....	.....	.....	.....	.....	.....
\$	.....	.....	40	.....	.....	.....	.....	.....	.....
Total weight . . .Kg.	4,460	235,255	102,967	44,916	32,423	42,718	20,936	61,628	62,464
Total value . . . \$	536	25,568	10,988	4,099	3,714	4,305	1,697	8,716	10,010

Canada was the principal supplier of dried, salted hake in 1941, the volume of shipments being considerably increased as compared with previous years. These sales were attributable mainly to the scarcity of codfish in this market. There is no doubt that hake sales could be considerably increased under present conditions of scarcity and high price of codfish if supplies were available at a price some 25 per cent below that of codfish. The imports under this heading from Iceland and Norway are invoiced as merluce, a type very similar to Canadian hake. Early in the present year a small tonnage of merluce and merluce tails was imported from Iceland into Havana.

The present customs duties and surcharges payable on fish classified under this heading are as follows per 100 kilograms gross: maximum tariff, \$8; general tariff, \$4; rate to the United States, \$3; weight reduction for tare when in cases or barrels is 10 per cent and in sacks, bales or bundles 2 per cent; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is payable on imports from all countries.



## OTHER DRIED, SALTED FISH N.E.E.

This miscellaneous item includes all types of dried salt fish not previously mentioned and for which no separate statistics are recorded. The table below shows the imports under this heading for the years 1933 to 1941 inclusive:—

*Cuban Imports of Other Dried, Salted Fish, n.e.e.*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Iceland . . . . .Kg.	.....	.....	.....	.....	5,430	136,961	63,648	144,561	89,924
United States . . . .Kg.	2,249	2,565	11,034	9,467	9,949	9,591	20,903	13,134	14,517
United States* . . .Kg.	415	859	3,001	2,184	2,989	2,474	4,529	6,611	43,432
Canada . . . . .Kg.	891	42,144	6,700	.....	.....	.....	325	4,610	298
Norway . . . . .Kg.	137	10,729	40,559	.....	3,474	10,650	94,553	29,289	.....
United Kingdom . .Kg.	7,086	.....	.....	2,388	13,434	42,467	44,150	23,509	.....
China . . . . .Kg.	616	.....	.....	212	1,262	4,380	4,605	3,146	.....
Hongkong . . . . .Kg.	2,108	6,859	9,892	12,294	7,955	2,062	865	.....	821
Mexico . . . . .Kg.	493	1,211	2,641	1,333	1,028	467	268	.....	36
Spain . . . . .Kg.	321	.....	109	.....	3,758	5,243	13,434	14,676	10,440
Canary Islands . .Kg.	160	.....	56	.....	700	933	3,420	3,734	889
Germany . . . . .Kg.	2,800	.....	.....	7,900	.....	.....	3	.....	.....
Total weight . . .Kg.	19,762	63,809	68,294	32,637	44,000	206,974	237,883	261,076	177,090
Total value . . . \$	2,289	7,729	11,116	3,974	7,076	24,474	30,356	30,971	30,353

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The foregoing classification includes such types of fish as ling, cusk, tusk, torsk, burbot and some of the less well-known types of the codfish family which are not classed as bacalao, as well as various kinds of fish prepared according to certain national tastes such as the Chinese. It also includes certain types of filleted fish for which no other classification is available. One item of this kind is codfish "sounds" (stomachs or bladders), regarded locally as a delicacy. None of it was available on the market until recently, but up to 1940 a small trade was carried on, principally from Norway and Iceland. One small shipment came in during the past week from Iceland, packed in bales of about 55 pounds net. Heretofore, because of labour costs in preparing it, this item has not been available from Canada. However, at the present price level it might repay exporters to prepare certain quantities, for which a sale could easily be obtained in this country. Filleted codfish steaks, or "rolls", almost wholly from the United States, is another item classified under this section.

The same duties and other surcharges as are outlined above for hake are applicable also to this miscellaneous classification.

## HERRING, SMOKED, SALTED, IN BRINE OR PICKLED

The herring trade in Cuba is of minor importance as compared to that in codfish. The following table shows the imports during the years 1933 to 1941, inclusive, of all of the various cures in which this fish is used:—

*Cuban Imports of Herring, Smoked, Salted in Brine or Pickled*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Norway . . . . .Kg.	407,891	1,141,737	1,185,793	1,086,350	728,868	631,675	352,057	76,770	.....
United States . . . .Kg.	17,542	54,027	55,572	51,720	37,931	34,204	17,829	4,806	.....
United States* . . .Kg.	19,043	24,345	34,201	28,840	28,235	36,373	27,344	33,774	68,362
United States* . . .Kg.	2,793	3,866	6,282	5,675	4,924	6,404	4,900	6,473	12,335
Total weight . . .Kg.	.....	.....	.....	.....	.....	.....	3,220	1,555	4,950
Total value . . . \$	.....	.....	.....	.....	.....	.....	649	319	777

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Canada . . . . .Kg.	9,857	33,104	11,678	2,953	4,802	.....	1,076	24,118	39,016
\$	689	1,794	1,419	179	243	.....	292	1,819	3,810
Germany.. . . .Kg.	2,700	10,899	5,558	.....	.....	5,184	.....	.....	.....
\$	182	500	249	.....	.....	273	.....	.....	.....
United Kingdom.. .Kg.	.....	175	561	3,331	7,046	.....	.....	120	.....
\$	.....	18	135	175	639	.....	.....	28	.....
Hongkong . . . . .Kg.	.....	.....	.....	.....	.....	.....	90	.....	.....
\$	.....	.....	.....	.....	.....	.....	29	.....	.....
Sweden . . . . .Kg.	2,232	1,134	.....	.....	.....	.....	33	.....	.....
\$	91	58	.....	.....	.....	.....	10	.....	.....
China . . . . .Kg.	1,332	77	.....	.....	.....	.....	.....	.....	.....
\$	335	5	.....	.....	.....	.....	.....	.....	.....
Spain . . . . .Kg.	1,350	.....	.....	.....	.....	.....	.....	.....	.....
\$	61	.....	.....	.....	.....	.....	.....	.....	.....
Denmark.. . . .Kg.	585	.....	.....	.....	.....	.....	.....	.....	.....
\$	50	.....	.....	.....	.....	.....	.....	.....	.....
Total weight . . .Kg.	444,990	1,211,471	1,237,791	1,121,474	768,951	673,232	383,820	136,337	112,328
Total value . . . \$	21,743	60,268	63,657	57,749	43,737	40,881	23,709	13,445	16,922

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The principal article included in this composite table is smoked herring. Canada in recent years has obtained only a minor portion of this trade. Incidentally all of the imports from Canada shown in the foregoing table are smoked herring or bloaters, as none of the other types of cures of this fish have been shipped direct from Canada to this country, although it is likely that a portion of the United States re-exports were originally Canadian. Norway, up to the time when it was invaded, was Cuba's principal supplier of all types of herring, and bloaters accounted for much the greater part of the Norwegian trade. In recent years, and particularly in 1941, the share of the United States has continued to increase. This trade also has been mainly in the form of bloaters supplied from the smokeries in Maine, which are closely related to the Grand Manan industry. Germany's and Sweden's trade was wholly in pickled types, packed in barrels or casks, such as Bismarck and marinated herrings. There is also a small trade in these pickled varieties from the United States, imported mainly for the Jewish and Polish foreign element in Cuba. The share of the United Kingdom is almost wholly special shipments of kippered herrings (refrigerated) for the high-class grocery trade. These imports are, however, spasmodic and small in value.

The foregoing statistics illustrate an interesting development in Cuban labour relations. A substantial part of the labour employed in the Cuban cane fields was at one time obtained from Haiti. These labourers brought with them their taste for bloaters, and this factor was the chief cause of the greater importance of the bloater trade in Cuba up to some five years ago. From then on various restrictive labour measures of a nationalistic character were successively put into force, one of which resulted in the repatriation in succeeding years of large numbers of Haitian cane-field workers. Many thousands were ultimately repatriated to Haiti. This movement is quite apparent from a study of the volume imports of herring in the foregoing table. At present the chief consumers of bloaters are the Jamaican cane-field workers.

At one time Canada was the principal source of supply for bloaters but was displaced many years ago by Norway, which standardized the pack, size and quality and smoked the fish to a higher condition of dryness. All of these factors were especially acceptable to the Cuban trade, and Norwegian packers eventually obtained almost complete control of the market. A favourite test of dryness locally is that the flesh underneath the gills be thoroughly dry.

Packing for this market is in boxes of 18½ pounds each. The Havana market takes the higher quality in the larger size of from 40 to 60 per box. For the interior the smaller size of 60 to 70 per box is salable, although this size is not in ordinary times in demand in Havana. Generally speaking the great bulk of the Canadian bloater supply is in the smaller sizes, which practically excludes them from the Havana market and forces them to be sold in the interior at a



substantial price reduction under the Norwegian. However, under present conditions of scarcity these preferences mean little, and when bloater supplies are again available in Canada it is certain that all quantities which could be allotted to the Cuban market would find a ready sale. The largest consumption of bloaters is in the eastern end of the island, which centres on Santiago de Cuba.

In this country there is no trade of any consequence in kippers. The lightness of the smoking and the long time in transit combine to prevent the arrival of this type of fish in good condition, except where shipment is made under refrigeration. The greatly increased cost of this method of shipment, combined with the almost complete lack of any demand or any taste for this type of fish, makes its sale very difficult. The extremely small demand which does exist is confined to one high-class retail grocer who deals in food specialties and caters to the foreign element. There is a small trade in a heavily smoke-dried and salted herring or pilchard fillet that comes from Spain packed in boxes of about 50 pounds each. This also is only a specialty trade of negligible importance. Maine also supplies a moderate quantity of more lightly smoked kipper fillets, in boxes, which are increasing in popularity. Chief among the pickled types are those mentioned above, in which the trade is also small. There seems to be no demand for or any particular knowledge of alewives in Cuba. There are, however, unimportant imports of herring in brine, and it may be that some trade could be done in this type of fish, especially under present conditions of scarcity of all types.

The customs duties and other charges on this class of fish are as follows, per 100 kilograms gross: maximum tariff, \$2.60; general tariff, \$1.30; rate to the United States, \$0.975; weight reduction for tare when in cases or barrels is 10 per cent and in sacks, bales or bundles 2 per cent; a general surcharge of 20 per cent of duties, surtaxes and other import charges is payable on imports from all countries.

### MACKEREL, IN BRINE OR SALTED

The trade in this type of fish has been very unimportant in recent years, as is illustrated by the following table of imports during the years 1933 to 1941 inclusive:—

*Cuban Imports of Mackerel, in Brine, Pickled or Salted*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . . .Kg.	693	77	11,580	717	12,195	4,299	1,205	778	91
\$	53	10	1,624	165	1,977	613	133	121	31
Canada . . . . .Kg.	.....	304	785	1,712	1,665	1,782	.....	.....	.....
\$	.....	42	93	150	125	137	.....	.....	.....
Hongkong . . . . .Kg.	.....	.....	.....	.....	.....	.....	.....	811	.....
\$	.....	.....	.....	.....	.....	.....	.....	162	.....
Spain.. . . .Kg.	.....	32	.....	1,656	.....	.....	.....	.....	.....
\$	.....	7	.....	361	.....	.....	.....	.....	.....
China . . . . .Kg.	.....	.....	4,393	.....	.....	.....	.....	.....	.....
\$	.....	.....	871	.....	.....	.....	.....	.....	.....
Japan.. . . .Kg.	.....	.....	886	.....	.....	.....	.....	.....	.....
\$	.....	.....	82	.....	.....	.....	.....	.....	.....
France . . . . .Kg.	4	.....	.....	.....	.....	.....	.....	.....	.....
\$	1	.....	.....	.....	.....	.....	.....	.....	.....
Total weight . . . . .Kg.	697	413	17,644	4,085	13,860	6,081	1,205	1,589	91
Total value . . . . . \$	54	59	2,670	676	2,102	750	133	283	31

In addition to mackerel in brine, which is imported in very small quantities packed in tubs, this classification includes certain other types of fish in brine, such as pollock. The demand is confined almost entirely to Jewish and Polish members of the foreign colony. There is also a negligible trade in salt mackerel.

The customs duties and other charges on this type of fish are as follows, per 100 kilograms gross: maximum tariff, \$5.20; general tariff, \$2.60; rate to the United States, \$1.69; weight reduction for tare when in cases or barrels is 10 per cent and in sacks, bales or bundles 2 per cent; a general surcharge of

20 per cent of duties, surtaxes and other import charges is payable on imports from all countries except the United States.

### SMOKED, SALTED OR PICKLED SALMON

As indicated in the following table of imports, the trade in this type of salmon is negligible:—

#### *Cuban Imports of Smoked, Salted or Pickled Salmon*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . .Kg.	77	302	362	787	655	10,354	686	820	309
\$	23	75	160	485	291	1,018	436	579	264
Denmark . . . . .Kg.	.....	.....	.....	.....	40	.....	.....	.....	.....
\$	.....	.....	.....	.....	30	.....	.....	.....	.....
Spain . . . . .Kg.	.....	.....	.....	.....	.....	4	.....	.....	.....
\$	.....	.....	.....	.....	.....	.....	.....	.....	.....
Canada . . . . .Kg.	.....	.....	.....	112	.....	.....	.....	.....	.....
\$	.....	.....	.....	9	.....	.....	.....	.....	.....
Total weight . . .Kg.	77	302	362	899	695	10,354	686	820	309
Total value . . . \$	23	75	160	494	321	1,022	436	579	264

The whole of the imports under this heading in recent years has been smoked salmon. Its sale is confined entirely to one or two of the high-class Havana hotels. The demand is confined mainly to the tourist season during the winter for use in hors d'œuvres or smörgasbörd. As Cuba's tourist trade, because of war conditions, has almost completely disappeared, there is practically no opportunity for developing any Canadian sales in this product.

The customs duties and other charges on this type of fish are as follows, per 100 kilograms gross: maximum tariff, \$14; general tariff, \$7; rate to the United States, \$5.25; weight reduction for tare when in cases or barrels is 10 per cent and in sacks, bales or bundles 2 per cent; a general surcharge of 20 per cent of duties, surtaxes and other import charges is applicable to imports from all countries.

### OYSTERS AND OTHER SHELLFISH, DRIED OR FRESH

A small trade is carried on in items falling under the above heading, of which the sources of supply are widespread, as indicated in the following table showing imports during the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Oysters and Other Shellfish, Dried or Fresh*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . .Kg.	73,251	123,948	165,314	136,196	143,882	160,255	165,016	160,772	100,548
\$	45,720	38,590	54,798	53,809	57,570	58,546	56,784	58,957	48,732
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	595	251	54
\$	.....	.....	.....	.....	.....	.....	1,064	883	448
China . . . . .Kg.	657	393	831	629	918	124	74	.....	.....
\$	128	57	404	95	124	66	22	.....	.....
Hongkong . . . . .Kg.	.....	.....	.....	.....	603	729	1,045	2,724	1,475
\$	.....	.....	.....	.....	138	164	340	952	237
Spain . . . . .Kg.	164	264	316	221	31	43	.....	156	.....
\$	20	115	133	40	8	9	.....	42	.....
Portugal . . . . .Kg.	.....	.....	.....	.....	406	556	327	190	.....
\$	.....	.....	.....	.....	168	133	83	68	.....
Mexico . . . . .Kg.	.....	.....	16,607	.....	.....	.....	.....	3,728	.....
\$	.....	.....	5,391	.....	.....	.....	.....	1,164	.....
United Kingdom . .Kg.	.....	.....	385	.....	775	.....	.....	.....	60
\$	.....	.....	76	.....	128	.....	.....	.....	37
Canada . . . . .Kg.	.....	.....	1,089	2,315	1,550	.....	.....	.....	.....
\$	.....	.....	220	512	280	.....	.....	.....	.....
Newfoundland . . .Kg.	.....	.....	.....	.....	.....	1,155	619	.....	.....
\$	.....	.....	.....	.....	.....	192	96	.....	.....
Russia . . . . .Kg.	.....	.....	.....	.....	.....	21	95	.....	.....
\$	.....	.....	.....	.....	.....	199	360	.....	.....
Italy . . . . .Kg.	.....	.....	66	.....	.....	.....	.....	.....	.....
\$	.....	.....	14	.....	.....	.....	.....	.....	.....
Japan . . . . .Kg.	37	.....	.....	.....	.....	.....	.....	.....	.....
\$	5	.....	.....	.....	.....	.....	.....	.....	.....
Total weight . . .Kg.	74,109	124,605	184,608	139,361	148,165	162,883	167,771	167,821	102,137
Total value . . . \$	45,873	38,762	61,036	54,456	58,416	59,309	58,749	62,066	49,454

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.



The bulk of the importation of these items is from the United States. Local trade circles state that at least 90 per cent of the total imports are dried shrimps. A moderately brisk business in this product is done by the United States, the fish being packed in bales of 100 pounds or in barrels of 150 to 200 pounds. A small trade is also carried on, principally to meet the Oriental demand, in dried squid, although this product is also used to a limited extent by the local population. Fresh blue-point and similar oysters, chiefly from the United States, help in a small way to swell the imports, although the trade in this type of shellfish is very small, due to the abundance and excellence of the local Cuban oyster. There are no imports of either fresh or dried clams, as the domestic production of Cuban clams is sufficient to meet the demand. There is no evidence of any trade in such items as dried or fresh crab, mussels, winkles or similar shellfish.

The customs duties and other charges on these types of shellfish are as follows, per 100 kilograms gross: maximum tariff, \$10; general tariff, \$5; rate to the United States, \$4; Public Works tax, 10 per cent of the duty; weight reduction for tare, nil; a general surcharge of 20 per cent of duties, surtaxes and other import charges is payable on imports from all countries except the United States.

#### FRESH FISH

Although the Cuban fresh fishing industry uses entirely the antiquated methods of small boats and hand nets and lines, the production of fresh fish is sufficient to preclude any appreciable trade in any variety imported from outside the country. No trawlers are used anywhere in Cuba, and the local price of fresh fish is consequently very high in comparison to what it might be if modern fishing methods were employed. However, the lack of sufficient commercial refrigeration makes it impossible for imported fresh fish to compete on a profitable basis with local fish. The imports shown in the following table are of types of fish not available in Cuban waters:—

#### *Cuban Imports of Fresh Fish*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . . .Kg.	74,554	5,697	35,420	53,206	14,727	37,729	75,766	47,757	22,329
\$	3,735	440	2,999	6,244	3,748	6,717	7,698	4,769	2,817
Portugal . . . . .Kg.	.....	.....	.....	.....	12,897	25,150	23,256	15,724	8,330
\$	.....	.....	.....	.....	3,017	5,168	4,366	4,080	3,227
Spain . . . . .Kg.	12,518	17,670	19,929	20,448	2,932	.....	.....	2,783	41
\$	1,653	3,939	4,569	3,322	605	.....	.....	502	7
United Kingdom . . . . .Kg.	.....	.....	.....	.....	.....	.....	.....	7	.....
\$	.....	.....	.....	.....	.....	.....	.....	3	.....
Russia . . . . .Kg.	62	16	.....	.....	.....	55	.....	.....	.....
\$	718	153	.....	.....	.....	378	.....	.....	.....
Italy . . . . .Kg.	.....	.....	1,312	.....	.....	.....	.....	.....	.....
\$	.....	.....	254	.....	.....	.....	.....	.....	.....
Norway . . . . .Kg.	1,096	.....	180	.....	.....	.....	.....	.....	.....
\$	96	.....	58	.....	.....	.....	.....	.....	.....
France.. . . .Kg.	34	4	.....	.....	.....	.....	.....	.....	.....
\$	219	10	.....	.....	.....	.....	.....	.....	.....
Total weight . . . . .Kg.	88,264	23,387	56,841	73,654	30,556	62,934	99,022	66,271	30,700
Total value . . . . . \$	6,426	4,542	7,880	9,566	7,370	12,263	12,064	9,354	6,051

The imports from the United States are mainly of fresh red salmon, the sale of which is confined almost wholly to one or two high-class hotels during the tourist season. The high retail cost of this fish makes it impossible to widen sales to the general public except in a few cases. There is likewise a very limited sale of fresh scallops and of fresh caviar, which is also for the hotel trade almost exclusively.

The Spanish and Portuguese share of the trade is mainly in "bonito" or "atún", which are similar to tuna or tunny fish.

There are no customs duties or other taxes payable on fresh fish entering Cuba.

## SUMMARY OF THE TRADE OF CANADA: MONTH OF MARCH AND THREE MONTHS ENDING MARCH

The following table, compiled by the External Trade Branch, Dominion Bureau of Statistics, summarizes Canadian trade by main groups during the month of March and three months ending March, 1942:—

Main Groups	Month of March, 1942			Three Months ending March, 1942		
	Total Imports \$	From United Kingdom \$	From United States \$	Total Imports \$	From United Kingdom \$	From United States \$
<b>Imports for Consumption</b>						
Agricultural and vegetable products .. . . .	13,270,052	384,846	5,052,844	35,277,444	1,245,133	14,358,705
Animals and animal products .. .	2,811,791	489,194	1,268,318	8,816,971	1,193,660	4,293,667
Fibres, textiles and textile products .. . . .	17,997,615	8,268,672	4,707,088	50,451,456	20,330,416	17,212,696
Wood, wood products and paper .. . . .	3,564,314	198,422	3,302,246	10,508,831	600,350	9,684,389
Iron and its products .. . . .	35,201,962	613,101	34,571,383	102,450,088	2,423,995	99,831,685
Non-ferrous metals and their products .. . . .	8,702,404	523,998	5,985,801	24,228,028	1,420,983	17,220,792
Non-metallic minerals and their products .. . . .	14,534,864	1,361,213	12,122,607	41,335,017	3,698,012	34,315,790
Chemicals and allied products .. .	5,900,091	842,628	4,884,146	16,649,299	2,245,334	13,661,653
Miscellaneous commodities .. . .	42,903,029	5,462,931	37,191,894	116,851,423	15,965,228	100,182,064
<b>Total imports:</b>						
1942 .. . . .	144,886,122	18,145,005	109,086,327	406,568,557	49,123,111	310,761,441
1941 .. . . .	107,982,222	17,305,162	75,004,717	295,996,312	41,684,728	213,292,331
1940 .. . . .	76,733,896	11,525,027	52,766,580	218,879,594	30,993,573	151,371,290
Exports (Canadian Produce)	Total Exports \$	To United Kingdom \$	To United States \$	Total Exports \$	To United Kingdom \$	To United States \$
Agricultural and vegetable products .. . . .	19,242,911	12,656,757	2,642,572	53,682,280	32,759,378	8,181,291
Animals and animal products .. .	22,371,734	14,080,493	6,029,217	66,917,111	39,253,401	21,268,346
Fibres, textiles and textile products .. . . .	3,151,628	125,151	1,573,045	8,556,394	416,264	2,929,754
Wood, wood products and paper .. . . .	32,264,404	2,976,860	27,188,903	92,306,914	8,238,256	77,272,331
Iron and its products .. . . .	34,067,561	12,967,502	2,468,642	100,072,329	32,687,563	6,134,869
Non-ferrous metals and their products .. . . .	24,523,476	9,769,777	11,070,355	67,827,104	27,407,299	29,537,301
Non-metallic minerals and their products .. . . .	4,214,282	297,083	3,274,129	12,038,341	895,588	8,939,666
Chemicals and allied products .. .	6,895,444	3,173,308	2,609,366	19,903,101	8,572,799	7,815,193
Miscellaneous commodities .. . .	28,750,319	15,301,541	2,128,265	71,217,057	35,385,328	7,049,176
<b>Totals, 1942 .. . . .</b>	175,481,759	71,348,472	58,984,494	492,520,631	185,615,876	169,130,730
1941 .. . . .	101,918,653	45,207,227	36,363,791	288,436,564	127,007,334	106,546,982
1940 .. . . .	82,719,395	40,412,921	25,581,491	243,898,474	109,656,206	79,289,623
<b>Exports (Foreign Produce)</b>						
Totals, 1942 .. . . .	1,468,014	327,052	939,569	4,933,440	819,722	3,036,193
1941 .. . . .	1,039,734	328,814	591,048	3,998,632	1,146,559	1,699,202
1940 .. . . .	745,745	19,311	678,944	2,734,574	74,415	2,498,800
<b>Excess of imports (i) or exports (e)</b>						
Totals, 1942 .. . . .	(e)32,063,651	(e)53,530,519	(i)49,162,264	(e)90,885,514	(e)137,312,487	(i)138,594,518
1941 .. . . .	(i) 5,023,835	(e)28,230,879	(i)38,049,878	(i) 3,561,116	(e) 86,469,165	(i)105,046,147
1940 .. . . .	(e) 6,731,244	(e)28,907,205	(i)26,506,145	(e)27,753,454	(e) 78,737,048	(i) 69,582,867

## CONTROL OF EXPORTS FROM CANADA: REGULATIONS AMENDED

By Export Permit Branch Order No. 33, effective April 20, 1942, casual purchases by non-resident tourists of \$100 or less in value of clothing, toilet articles, articles of personal adornment, souvenirs and similar articles, and other small consumer goods are exempt from requiring an export permit when shipped from Canada, except as previously provided in respect of sugar, dairy products, hides and skins, wool, Pacific salmon and herring, and maple syrup.

By Export Permit Branch Order No. 34, effective April 21, 1942, an export permit is required for shipment of calcium cyanamide from Canada to any country.



By Order in Council P.C. 3364, effective April 29, the export of coffee to any country is prohibited except under permit issued by the Export Permit Branch, Department of Trade and Commerce.

By Export Permit Branch Order No. 35, effective April 29, tea, which previously was exempt from requiring an export permit for shipment to any part of the British Empire or to the United States, will require an export permit for shipment to any country.

## ASSISTANCE THAT CAN BE GIVEN BY CANADIAN TRADE COMMISSIONERS

Many manufacturers and exporters are apparently not fully advised as to the valuable services that can be rendered by Canadian Trade Commissioners. The following is therefore issued with a view to rendering the activities of Canadian Trade Commissioners of greater benefit to manufacturers and exporters generally.

### COMMERCIAL INFORMATION

1. Up-to-date information is available to manufacturers and exporters through the *Commercial Intelligence Journal* or by direct correspondence with the Department or any of the Canadian Trade Commissioners as to:—

- (a) The present and prospective demand for their goods.
- (b) Foreign and local competition (with specimens, catalogues and prices).
- (c) Details of best selling methods.
- (d) Reports on foreign buyers, though the Department cannot assume any responsibility in any opinions expressed by Trade Commissioners. They, however, will use their best endeavours to advise exporters as to the standing of such firms.
- (e) Specifications of articles in particular demand.
- (f) Inquiries for goods, and by means of an efficient system for collecting such inquiries the names can be obtained from time to time from the Commercial Intelligence Service of the Department at Ottawa.

### AGENTS, BUYERS, AND DISTRIBUTORS

2. Trade Commissioners will also:—

- (a) Recommend to intending Canadian exporters the names of responsible parties in a position to act as agents or buyers and distributors.
- (b) Give every possible assistance to such agents, etc., and will introduce them to influential individuals or associations who may be in a position to buy goods from Canada.
- (c) Give confidential information, when so requested, as to the activities of agents appointed by Canadian exporters, or firms to whom sales have been, or are being, made.

3. Trade Commissioners can assist in advising Canadian exporters and manufacturers:—

- (a) As to the best media in which to place advertisements and the form which such advertisements should take, i.e., their adaptation to the special requirements of the community.
- (b) In the display of catalogues, price lists, and samples where they can be seen by potential buyers.
- (c) As to the distribution of trade literature and its probable cost.

## GENERAL

4. (a) Trade Commissioners will always be glad to receive visitors from Canada and introduce them to possible buyers or agents, or put them in touch with legal advisers, interpreters, and shipping and banking representatives.
- (b) The good offices of Trade Commissioners can always be invoked with a view to settling difficulties which may arise between the Canadian exporters and buyers abroad.
- (c) Trade Commissioners will at any time provide such information as may be available as to freight rates, customs, port dues, etc., so as to enable Canadian firms to quote prices for delivery overseas. They will be glad also to provide information respecting cost of travel, regulations applicable to commercial travellers, packing, and marking of goods, shipping accommodation, storage arrangements, and any other foreign government regulations or conditions which have to be complied with.

## FINANCIAL ARRANGEMENTS

5. Particulars can be obtained with regard to:—

- (a) Terms of credit which may be given to foreign buyers.
- (b) Financial houses and banks who will discount bills or give credit.
- (c) Regulations governing the recovery of debts in foreign countries.
- (d) Disposal of goods abroad contracted for but not accepted by foreign buyers.
- (e) Infringement of trade-marks or patent rights; and advice on registration.

## INFORMATION NECESSARY TO THE TRADE COMMISSIONER

When a Canadian exporter desires the assistance of a Trade Commissioner in marketing his goods abroad, he should with the first letter provide that officer with the following:—

- (a) Catalogues and best export prices c.i.f. port of entry, or failing that, f.o.b. Canadian port. It is quite useless to send prices f.o.b. factory.
- (b) Details regarding process of manufacture if convenient.
- (c) If not too bulky, samples of what the firms have to offer should be forwarded—not necessarily a full range—and a draft or money order sufficient to cover the customs duties and landing charges on the samples.
- (d) Bankers' references.
- (e) The proportion of output which is available for export, time required to ship from receipt of order, and the quantity for which orders will be accepted.
- (f) Details of the experience he has had in the territory served by the Trade Commissioner.
- (g) Information regarding previous connections, if any, which he had either with agents or importers. If connections still exist, what, if any, bearing will they have on fresh contacts that may be established through the efforts of the Trade Commissioner.

The Trade Commissioner will thus be in a position to make a survey of his territory, report the opportunities for the lines to be exported, and can then either place the exporter in communication with reliable importers or recommend suitable agents.



## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### GIFTS OF FOODSTUFFS FOR CHARITABLE DISTRIBUTION

A press release of April 28, 1942, received from the High Commissioner for the United Kingdom in Ottawa, states that new arrangements have been made for co-ordinating distribution in the United Kingdom of foodstuffs supplied by charitable organizations from overseas.

It is pointed out that gifts of food from abroad are received in considerable quantities. These include gifts to individuals for their own use and to the Ministry of Food or various organizations for distribution to persons who, on account of the war or for other reasons, are in need of assistance.

The press announcement states that, so far as bona fide unsolicited gifts to individuals are concerned, the existing procedure will remain unchanged. The receipt of these gifts is subject to the conditions that they be sent by post at infrequent intervals in a single parcel not exceeding five pounds in weight (including packing) nor containing more than two pounds of any one foodstuff. Such gifts may not be solicited directly or indirectly, nor must arrangements of any kind be made between the parties as to what might be sent or otherwise. Payment must not be made, offered or promised by the recipient or on his behalf.

There will be no change in the arrangements for gifts consigned through the approved channels direct to units of the Dominion, Colonial or Allied forces, or to individual members of those forces, or to men from the Dominions or Colonies and men of Allied nationality serving with the United Kingdom forces.

In respect of all other gifts of food a new procedure will operate. A central pool will be set up immediately, to be called officially the "Overseas Gifts (Food) Allocations Centre". The work of the centre will be done through a committee comprising various organizations that have been concerned in the past with the distribution of similar gifts. They are supplying the necessary staff, which will be situated at the Headquarters of the Ministry of Food, Portman Court, London, W.1, to do the work of allocation and to arrange for the goods to be sent on from the ports. A senior official of the Ministry will act as supervisor and ensure that the foodstuffs are distributed satisfactorily.

Under the new arrangements no restrictions will be imposed as in the past concerning the inclusion of rationed foodstuffs in these gifts, and the new organization will ensure that such goods are distributed as equitably and fairly as possible.

Friends abroad, whether in foreign or Empire countries, who are good enough to send gifts of food, will be asked in future to address their gifts to the Centre at the Ministry of Food, Portman Court, Portman Square, London, W.1. They may rest assured that under the revised procedure their gifts will reach those persons who need them most. No import duties will be charged.

Should donors abroad wish their gifts to be earmarked for a specific organization or purpose, their wishes may be indicated to the Centre, and the goods will be distributed accordingly, provided the quantities are reasonable in the circumstances, but the Centre will at all times retain the privilege of exercising discretion in the distribution of all gifts. This discretion is likely to be exercised only in order to maintain fair distribution or in the event of special emergency, as in the case of particular areas which might be heavily blitzed. The Centre will co-ordinate all present methods of distribution and will be guided by information to which the individual organizations would not have access.

Any dock or carriage charges arising from these consignments will be payable by the consignees.

The Ministry will be glad to advise intending donors as to the most suitable types of foodstuffs to send.

All bulk gifts intended for prisoners of war will be handed over to the British Red Cross Society for such purpose.

The United Kingdom press announcement concludes:—

While the Ministry is grateful for the goodwill of which these gifts are an expression, it must be remembered that the paramount consideration must always be the provision of food for the community as a whole. It will not therefore be possible to allow gifts to be shipped at the expense of the Ministry's shipping space, and our friends overseas are asked to remember that the greatest service that they can do us is to facilitate by any means in their power the acquisition by the Ministry of the supplies needed to feed the people. Gifts of foodstuffs are sometimes consigned to this country packed along with machinery which may be delivered direct to its destination without examination at the port. In future all such gifts must be handed over to the local branch of the Women's Voluntary Services for distribution through the Centre.

## Ireland

### LICENCE REQUIRED TO IMPORT CERTAIN WOVEN FABRICS

Mr. E. L. McColl, Canadian Trade Commissioner in Dublin, advises that, by the Emergency Powers (Importation of Fabrics) Order, 1942, issued by the Minister for Supplies on March 13, knitted and woven fabrics (excluding floor coverings) made wholly or partly of cotton, linen, wool, silk or artificial silk, may only be imported into Eire under licence issued by the Minister for Supplies, as from April 20, 1942.

### DUTIES ON CERTAIN RUBBER PRODUCTS SUSPENDED

Mr. E. L. McColl, Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire dated March 3, 1942, the import duties on the following commodities have been suspended as from March 4, 1942, to August 9, 1942: rubber soles for boots and shoes; rubber footwear; rubber hot-water bottles; motor-car tires and tubes; rubber compounds and solution; tennis balls; golf balls.

## South Africa

### TARIFF INCREASES IN THE BUDGET

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Cape Town, reports that the South African budget, which was introduced into the House of Assembly on February 25, provided for a limited number of tariff increases. The minimum and intermediate duties on cigars and cigarillos have been increased from 9s. 4d. per pound to 10s. 4d., while the maximum rate has gone up from 12s. to 13s. On manufactured tobacco there is an increase of from 5s. to 5s. 6d. per pound in all three columns of the tariff. The duty on motor spirit is similarly raised from 9d. to 11½d. per imperial gallon. Cinematograph films are also involved; on silent films of a width not exceeding 10 mm. the duty now becomes 1d. per foot in place of the former rate of ½d. per foot; when the width exceeds 10 mm. the duty is now 2d. instead of 1d. On sound films the duty for the first copy is increased to 6d. per foot from 3d.; for second and subsequent copies of the same film the new rate becomes 4d. in place of 2d.

### DUTY-FREE ENTRY OF NEWFOUNDLAND NEWSPRINT CONTINUED

With reference to the notice in *Commercial Intelligence Journal* No. 1873 (December 23, 1939), page 1210, Mr. J. C. Macgillivray, Canadian Trade Com-



missioner at Cape Town, writes that the preliminary trade agreement between the Union of South Africa and Newfoundland has been extended to December 31, 1942. This extension continues in effect duty-free entry of Newfoundland newsprint into South Africa. Canada and the United Kingdom are granted a similar concession. The tariff rate of 5 per cent ad valorem applies to all other countries.

#### CONTROL OF RUBBER AND MOTOR VEHICLES ESTABLISHED

A notice in the South Africa Government *Gazette* of February 19 states that, as from that date, no person may acquire or dispose of any raw or other cured or uncured rubber except under authority of a permit issued by the Controller of Rubber. From the same date the manufacture of hose, known in the trade as garden hose, is prohibited except under an exemption granted by the Controller. The notice also prohibits, as from March 15, the use of rubber in the manufacture of any articles, except upon the authority and subject to the conditions of a permit.

The Government *Gazette* of March 3, announced the appointment of a Controller of Motor Vehicles, and a notice in the same issue prohibits the sale or supply of new motor vehicles or new chassis until further notice. The Trade Commissioner at Cape Town writes that, as supplies of new vehicles entering the country had been reduced to a small volume, owing to the restrictions in exporting countries and to shipping difficulties, the prohibition was already close to being effective without formal steps being taken.

### Trinidad

#### FLOUR TO BE IMPORTED BY FOOD CONTROLLER

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that no further licences are being granted in Trinidad to individual importers for purchases of flour. The Food Controller issued regulations on April 10 taking over as from a date to be fixed all outstanding unshipped orders, and he will be responsible for all future purchases for the Colony. He hopes to purchase flour, unlabelled except for grade marks, through the local agents of Canadian mills. The Food Controller's purchases and stocks may comprise first- and second-grade baking flour, according to market value, and extras when prices are economical.

Supplies of flour taken over or purchased by the Food Controller will be delivered to merchants on the basis of their monthly requirements ex local delivery points against payment of cash to the Food Controller. Prices will be net to the point at which delivery is made. Deliveries will be made in accordance with stocks on hand.

### Egypt

#### FLOUR-MIXING REGULATIONS

An Egyptian decree of January 22, 1942, forbids bakers, unless previously authorized by the Minister of Supplies, to manufacture, put on sale, or hold bread other than that made from a mixture of 50 per cent flour (extracted from pure wheat in the proportion of 90 per cent), 25 per cent of corn flour and 25 per cent of rice flour. All millers and all flour dealers are forbidden unless previously authorized by the Minister of Supplies, to extract or to hold other flour than the mixture provided for.

LICENCES REQUIRED FOR COMMERCIAL PACKAGES

With reference to the notice published in *Commercial Intelligence Journal* No. 1977 (December 20, 1941), page 733, it has been announced that, by an Egyptian order of January 29, import permits are required for all parcel-post packages except those addressed to individuals for their personal use.

Bolivia

DUTIES AND TAXES ON AGRICULTURAL IMPLEMENTS AND OTHER GOODS ABOLISHED

Mr. W. G. Stark, Assistant Trade Commissioner at Lima, Peru, writes that, according to a decree published in *La Razón*, the leading newspaper of La Paz (Bolivia) of December 28, 1941, the duties and taxes on the following products imported into Bolivia are abolished as from December 28, 1941: agricultural implements and machines, accessories and spare parts for same, farming tools, wire, staples and fence posts, disinfectants, insecticides, vaccines, drugs, manures, live plants and thoroughbred cattle. Since July 26, 1939, agricultural and stock-farming companies have been permitted to import these goods free of duty through the intermediary of the Ministry of Agriculture. The present decree extends this privilege to anybody in the trade if the necessary exemption permit is obtained by the importer from the Ministry of Commerce prior to the clearance of the goods through the customs.

Dominican Republic

TAX RATE CHARGED ON HATS AND HAT BODIES

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, writes under date of April 22, that, effective April 24, 1942, paragraph 191 of Internal Revenue Tax Law No. 854 of the Dominican Republic has been divided into three subsections, all of which cover hats of wool, felt or other materials including crowns, brims and forms for the same.

Subsection 1 applies to the above items when they are adorned, embellished, decorated, trimmed, bound, edged, faced, lined, etc. The old and new tax rates are as follows:—

	Old Rate	New Rate
(a) For men . . . . .	\$0.30 each, but not less than 25% ad val.	\$0.45 each, but not less than 25% ad val.
(b) For women . . . . .	\$0.20 each, but not less than 25% ad val.	\$0.30 each, but not less than 25% ad val.
(c) For children . . . . .	\$0.10 each, but not less than 25% ad val.	\$0.15 each, but not less than 25% ad val.

Subsection 2, divided as shown above, deals with the same articles, plain or unadorned, etc. No change in the internal revenue tax has been made covering these unadorned articles, the rates remaining the same as those shown in the "old rate" column under Subsection 1 above.

Subsection 3 provides that when hats, crowns, brims and forms or bodies provided for in Subsection 2 are imported in the form of rough bodies, neither shaped, pressed, blocked, lined, pasted nor gum-weighted or gum-stiffened and destined exclusively to be finished by a process of industrial transformation, will be exempt from the tax established in Subsection 2.



## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Brazil

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

Rio de Janeiro, April 13, 1942.—During the past three months no new regulations affecting the exchange situation have been introduced in Brazil. Cover for imports is immediately available. No delays are experienced beyond those caused by faulty documentation on the part of exporters.

There has been considerable relaxation in regard to transactions on the basis of letter of credit. A short time ago such dealings were countenanced only in the case of imports of national importance or of raw materials not available in Brazil. The authorities are now taking a more lenient view and are permitting the opening of credits for the purchase of most commodities.

The increased demand for many Brazilian products, coupled with the increasing difficulty of obtaining from abroad consumer goods such as automobiles, refrigerators, radios, etc., has tended to reverse the alarming exodus of foreign exchange from Brazil, which was evident two years ago. Although up-to-date statistics are not available, all indications point to a healthy condition, and on this basis there is nothing to retard open trading. However, abnormal war-time conditions must be taken into consideration, and for this reason exporters are advised to restrict credits. Cash-against-documents terms are suggested as a basis. In this way outstanding accounts are avoided, and at the same time the importer is not faced with the difficulties and expense of opening credits.

### Ecuador

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, April 13, 1942.—Current exchange conditions in Ecuador are reasonably satisfactory so far as payments for imported merchandise are concerned. Economic conditions in the country have become more stable, and the agreement reached with Peru to terminate the long-standing frontier question has assisted in restoring confidence both in banking and business circles. The chief difficulty is to obtain the delivery of goods ordered from overseas.

There is a strict exchange control system in operation in Ecuador. The Central Bank of Ecuador buys United States dollars at the standard rate of 14·80 sucres and sells at 15 sucres to the dollar. Taking into account the official rate of exchange between Canadian and United States dollars, there would be approximately 13·50 sucres to one Canadian dollar, or one sucre equals roughly 7·4 cents Canadian. Transactions on the curb exchange are reportedly taking place at 16 to 16·50 sucres to the United States dollar.

### DOLLAR EXCHANGE AVAILABLE

The amount of dollar exchange made available for the first three months of 1942 was considerably increased over that for the corresponding period of last year, being estimated at \$1,500,000 monthly, plus a special single quota of \$1,500,000, as compared with \$1,000,000 allowed each month in 1941 to cover all imports. Later advices, however, indicate that only \$1,251,000 of the monthly quotas was actually being delivered. The special quota was available only for the importation of designated merchandise, mainly machinery, tools, spare parts and other indispensable articles necessary to the agriculture, trade, and industry of the country.

Agricultural conditions are favourable and the value of exports continues to increase. Latest export figures indicate an advance of from 18 to 20 per cent over the volume recorded for the preceding year, although imports are 13 to 15 per cent lower. Shortage of shipping space is one of the main factors affecting exports, coupled with the advance of 26 per cent in freight rates, while

scarcity of supplies, export control and price increases all contributed to the decline in imports. The United States is the principal supplier to Ecuador and the chief purchaser of her products, being responsible for over 70 per cent of all imports and exports. It is reported that the United States has recently loaned considerable sums for the rehabilitation of Ecuadorean agriculture and commerce.

#### IMPORT CONTROL

Imports are subject to permits, which are granted to importers on the basis of their capital and previous volume of imports. A certain control is maintained with regard to the importation of luxury goods and those which compete with nationally manufactured articles. As a precautionary measure Canadian exporters should not ship unless the dealer in Ecuador has supplied them with a duplicate copy of the required import permit (*Permiso de Importaciones*).

Importers are required to make application for the necessary exchange before placing orders abroad. When this is granted the Central Bank puts the exchange aside to the order of the importer, so that it is available for payment against shipping documents, but only after the arrival of the goods at the respective Ecuadorean port. Dealers also may open letters of credit, which can only be established through the Central Bank of Ecuador, as this bank is the only one entitled to make such transactions. The Central Bank, however, requires that a deposit covering the full payment of the equivalent *sucre*s be lodged with it before the letter of credit is issued. The customs and parcel-post offices will not deliver imported goods unless proof is furnished that the covering exchange has been obtained through the Central Bank of Ecuador. Merchandise that has been sold on a time-draft basis is delivered only upon certification that the purchaser has accepted the draft and a bank guarantee of reimbursement with funds provided by the Central Bank of Ecuador. Imports may also be effected through letters of guarantee, which are established by Ecuadorean commercial banks. This instrument differs from the letters of credit inasmuch as the draft or drafts drawn under letters of guarantee are reimbursable only after arrival of the purchased goods at any Ecuadorean port.

Canadian exporters forwarding goods to unknown customers should insist on letter of credit or letter of guarantee. However, since the Exchange Control sets exchange aside for approved orders, sales on a sight-draft basis, or even on short-term credits, can be made to reliable importers. Should an importer refuse to pay a draft for which the foreign exchange has been earmarked, he is not to be granted further exchange facilities; in other words, he will be unable to obtain further imports.

To avoid confusion, shippers in Canada are advised, when making quotations to Ecuadorean firms, to express their prices in United States currency, as this is the most current medium of exchange in Ecuador. Also, according to the regulations of the Canadian Foreign Exchange Control Board, final settlement for Dominion goods despatched to Ecuador must be effected in United States dollars. However, if quotations are in Canadian dollars, a clear indication should be given of the exchange allowance granted to convert these offers into United States funds.

#### Bolivia

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, April 15, 1942.—Since June 21, 1941, when the Bolivian Government introduced a single and fixed rate of 46 bolivianos to the United States dollar, with a relative cross rate of 186.15 bolivianos to the pound sterling, there has been little variation in the rate of exchange. The bank rates are 46 bolivianos buying and 46.46 bolivianos selling to the United States dollar, and 184.69 and 186.54 bolivianos to the pound sterling buying and selling respectively. At



present there is a plentiful supply of foreign exchange, large amounts of dollars are reportedly on deposit in New York or La Paz, and importers may bring in merchandise of any kind without permits, exchange being provided freely by the banks.

### BUSINESS CONDITIONS

Economic conditions remain favourable, and the proceeds from tin and wolfram sales provide a surplus of dollars. As a result of agreements concluded at the time of the Rio de Janeiro Conference, Bolivia is to receive \$25,000,000 (of which \$10,000,000 is to be advanced in 1942). from the United States Import-Export Bank to establish the Corporacion Boliviana de Fomento, a semi-official body for the development of mining and agriculture. In addition a separate credit for \$5,500,000 has been opened for the exploitation of the Bolivian petroleum industry. The settlement of the long-standing dispute between the Standard Oil Co. and the Bolivian Government has also contributed to the stabilization of conditions.

### CHANGE OF POLICY

According to reports in the press, the Cabinet has instructed the Central Bank to adopt a more liberal policy in the issuance of credits up to 25 and in some cases 35 per cent of firms' capital and reserves instead of the former limit of 18 per cent. The object of this policy is to permit traders to increase their imports while supplies are still available, and manufacturers will be encouraged to have sufficient stocks of raw materials on hand, thus avoiding dislocations both in commerce and industry if later on difficulties of supply and shipping should increase. Also, according to a press report of January 29, the Central Bank from that date on is to take over the control of all foreign exchange, so that the exchange position of the country and the relation between foreign payments to be met and exchange available can be determined at any given time. Wartime measures include the freezing of German, Italian and Japanese funds, as well as those of all individuals on the British Statutory List and the United States Proclaimed List of Certain Blocked Nationals.

In order to forward payment to a foreign supplier of goods, the Bolivian importer must present the customs clearance certificate and the original corresponding commercial invoice at his bank. Liability for other charges in foreign currency must be proved by presentation of original invoices, and the insurance certificate and original invoice must be produced to prove that the premium has been paid. Requests for foreign exchange must be presented within 180 days of the date of the customs clearance certificate or, in the event of the exchange having been sold prior to the importation of the goods, the transaction must be completed at the bank within 180 following days.

### TERMS OF PAYMENT

For shipment to Bolivia terms of letter of credit can be obtained, although cash against documents upon arrival of the goods is preferred by merchants owing to shipping delays. Due to the scarcity of supplies generally and the shortage of available freight space, dealers are usually quite willing to meet these conditions. Application may be received for credit terms, but these should only be extended when the Canadian shipper is assured from experience that the importer is able to pay. To avoid confusion it is preferable to quote prices in United States funds, as the regulations of the Canadian Foreign Exchange Control Board require that final settlement for Canadian goods shipped to Bolivia be effected in United States dollars. By this method prices are quoted in terms of the currency most commonly used by importers in this market. If for any reason prices are expressed in Canadian dollars, a clear indication should be given of the exact exchange discount allowed by the shipper to convert such offers into United States currency.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 27, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 27, 1942, and for the week ending Monday, April 20, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 20	Nominal Quotations in Montreal Week ending April 27	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2284	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2627	.2621	—
Brazil . . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0573	.0573	3-4½
		Export	.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6349	.6328	4
Uruguay . . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	2
		Offer	3.5940	3.5940	—



## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

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**Catalogue of Motion Pictures.**—List of all films available in the Government Motion Picture Bureau, with titles and brief descriptions. This is in loose leaf form, in order that revision may be made from year to year. (Price 25 cents.)

**List of Grain Elevators.**—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

**Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.**

Canada, 1941. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Annual Report of the Dominion Statistician. (Price 10 cents.)

Trade (Internal), prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

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J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

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### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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L. D. WILGRESS, DEPUTY MINISTER





## ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### I. Introduction

Buenos Aires, April 15, 1942.—The Republic of Argentina occupies a position in the southern part of the Western Hemisphere corresponding to that of Canada in the north. The climate is temperate, so that agricultural production largely parallels that of Canada. Manufacturing industries have been developed as in the Dominion.

The area of Argentina is 1,112,743 square miles, equal to the combined areas of the Maritime Provinces, Quebec, Ontario and Manitoba. The northern part of the country, bordering on Bolivia, Paraguay and Brazil, produces all the sub-tropical fruits such as oranges and grapefruit, as well as sugar, tobacco and cotton. In the central zone, in the foothills of the Andes, bordering on Chile, are the vineyards which produce the country's requirements in wines. Other products of this zone are such fruits as grow in temperate climates, and also potatoes. Still farther south is a zone comparable to the Okanagan Valley in British Columbia, which provides Argentina with North American varieties of apples, such as Jonathan's, Delicious, etc., and pears. In the far south is Patagonia, a semi-arid zone extending to the Antarctic. This area was settled originally by immigrants from Wales and Scotland and is important for its sheep-raising industry.

Argentina is best known abroad, however, as a rich pastoral and agricultural country and as a supplier of meats and grain to the United Kingdom and Continental Europe. The source of this agricultural and pastoral wealth lies in the soil of the vast plains, or pampas, of central Argentina. The pampas cover a solid block of approximately 152 million acres comprising the Province of Buenos Aires, most of the Provinces of Santa Fe, Cordoba and Entre Rios, and a part of the Territory of the Pampa. Normally a total of 59 million acres in this zone is devoted to grain and other agricultural crops. The remaining 93 million acres is in pasture, and in normal times supports 23 million cattle and 18 million sheep as well as pigs and horses. It is this zone that is important to the export trade of Argentina. The remainder of the live-stock population, comprising some 10 million cattle and 15 million sheep, is scattered through the rest of the country, the sheep being mainly in Patagonia.

### CENTRAL ZONE

The central agricultural zone borders on the Atlantic Ocean on two sides; on the other two sides it merges sharply into semi-arid or desert country where the annual rainfall beyond a well-defined line is scanty. This zone is intersected by the Parana River, which is navigable by ocean steamers and has its outlet in the River Plate or Rio de la Plata. The city of Rosario, with a population of 800,000, is on the Parana River, some 300 miles from the Atlantic. This city is second in importance only to Montreal as a grain-shipping port. The port of Buenos Aires, the capital of Argentina, is situated at the junction of the Parana River and the River Plate. Other important seaports adjoining the agricultural zone are La Plata, which has two of the largest meat-packing plants in Argentina; Bahia Blanca, which handles most of the Argentine hard-type wheat grown in the southern or colder section of the agricultural zone; Mar del Plata, which is also a fashionable seaside resort; and Quequen. In addition there are such river ports as Villa Constitucion, Santa Fe, and Rosario. Few points in this great agricultural area are more than 200 miles from an ocean port.

The pampas of Argentina are absolutely flat and are treeless except for the groves that have been planted. The soil is almost uniformly fertile. No artificial fertilizers are used, and the practice of summer-fallowing is not followed. Certain sections, due to variations in the quality of the soil and in the rainfall and temperature, are better suited to the production of specific crops than are other areas. In one section corn-growing predominates, in another alfalfa for fattening export cattle is grown, in another natural grasses do well and it is the best breeding area for cattle and other live stock. Flaxseed grows best in the northern section, but generally there is some competition in land utilization throughout the greater part of the zone.

The climate of this main agricultural zone is temperate. There is no snow in winter, but there are occasional frosts. Wheat is sown at the beginning of or during the winter months, and there is growth throughout the winter. Hay is cut and stacked as a reserve for winters when there may be a drought. Locusts were once a serious plague, but do much less damage in recent years due to the adoption of effective methods of extermination. Damage from hail is not frequent or general, and pure water is found close to the surface throughout the zone. An abundant supply of water and the comparative ease with which alfalfa can be grown are the main factors contributing to the importance of Argentina as a low-cost producer of live stock.

#### POPULATION

The present population of Argentina, which is around 13 million, is due to the influx of immigrants from Europe during the past fifty years. The Spaniards came to South America in colonial days to find silver and other precious metals, and there were small settlements of Spanish nationals in northern Argentina (the most influential families in Argentina to-day are their descendants), but the agricultural zone, which is now the main source of Argentine wealth, was completely neglected by the early Spaniards.

The development of agriculture in Argentina, and therefore of the country itself, really dates from the building of the railways after 1860-70. Some twenty years later refrigeration methods were developed to a point where Argentine fresh beef could be shipped to the United Kingdom. Agricultural land, which had had only a very nominal value, since there was virtually no market for agricultural or live-stock products, suddenly became very valuable, and the owners were wealthy almost overnight. The last of the aboriginal Indian population of the Argentine pampas was wiped out by a military expedition undertaken for this purpose in the late 70's during the railway construction period. As there had been no Negro slaves in Argentina, the country had a completely white population and it remains white to-day.

The early Argentine Governments of the last century, following the revolutionary wars which freed Argentina from the domination of Spain, had no definite policy in respect of the distribution or the holding of agricultural lands in the country. Buenos Aires merchants and others with liquid assets could purchase huge tracts of land for nominal sums. The land had little or no value at the time, as the only income to be derived from it resulted from the small demand for wool and tallow. After the Indian wars the remaining free land was allotted in the form of large grants to army officers and friends of the administration. As a result there was no land available, as in North America, for the immigrants who flocked to Argentina from Europe in the late 80's and up to the time of the war of 1914-18. In 1889 some 260,909 immigrants arrived in Argentina, and during the ten years between 1903 and 1913 the arrivals numbered 2,888,578.



## IMMIGRATION

The immigrants who came to Argentina were long called "golondrinas", or swallows. They arrived in shiploads from Spain and Italy and to a lesser extent from southwestern Europe to work at harvesting in southern Brazil and northern Argentina. They moved south with the harvest and returned to Europe at the close of the season, but each year a certain number of families remained in Argentina. Although there was no land available for homesteading as in Canada and the United States, it could be rented from the large land-owners. New immigrants of this type and the descendants of the early "swallows" are the share-croppers who to-day grow most of the grain produced in Argentina. There are still practically no small owner-operator farmers in the country.

This influx of immigrants to work on the land was paralleled by a much larger influx of immigrants, also from Spain and Italy, who remained in the cities, particularly in Buenos Aires. The population of Buenos Aires was 663,895 in 1895; in 1914 it had reached 1,576,597. In 1938 Buenos Aires proper had a population of 2,345,221, exclusive of those living in the suburbs. Almost one-quarter of the 13,318,000 population of Argentina to-day lives within the urban zone of Buenos Aires.

The rural population of Argentina is comparatively small in relation to the urban population, despite the fact that agriculture is such an important factor in the economy of the country. The raising of live stock is a large-scale enterprise, and is carried on almost exclusively by large land-owners whose methods of operation are similar to those adopted by the large cattle ranchers in Western Canada and the Western United States. However, the large land-owner in Argentina rents sections of his property to small tenant farmers who wish to grow grain, usually on a share basis. Apart from the wheat and the malt barley required for home consumption, grain is grown almost exclusively for export. Some 80 per cent of the corn production is also normally exported, and practically the entire flaxseed crop. Grain is not fed to live stock on the farms, as the cattle are raised and fattened the year round outdoors on grass and alfalfa, supplemented in winter by forage such as rye and oats. Except for the ownership of the land, the live-stock and grain-growing industries are conducted as separate enterprises. Mixed farming on a small scale, as practised in Canada, is virtually unknown. The average share-cropper grain farmer in Argentina works 250 to 500 acres.

On the basis of racial origin, the present composition of the Argentine population is approximately as follows: 30 to 40 per cent are Spanish immigrants, and their descendants, who arrived in large numbers in the years since 1890; 30 per cent are Italian immigrants and their descendants; and the remaining 30 to 35 per cent are descendants of the old Spanish colonial families who are the most important element in the current political life of the country. Many of these families have large holdings of agricultural land. The remaining small minorities comprise Irish immigrants and their descendants (many of whom are large land-owners), Scotch, English, Germans, Scandinavians, Poles, and southeastern Europeans.

## INTERNAL TRANSPORTATION

The privately-owned railways in Argentina operate 17,831 miles of lines, representing 68 per cent of the total railway mileage of Argentina. The remaining mileage is owned by the State. The private lines are 90 per cent British-owned and 10 per cent French, and the investment is currently valued at the equivalent of \$1,232 million. They normally transport 66 per cent of the Argentine grain crops and 18 million head of live stock and carry 151 million passengers annually.

Before 1935 Argentina was almost entirely without surfaced roads outside the main cities. There are no gravel roads, due to the almost complete lack

of stone throughout the entire agricultural area. Consequently, prior to 1935, the existing country roads were useless for transport except to local country stations. This situation gave the railways an almost complete monopoly of the internal transport of grain, live stock and general merchandise. Since the railway system radiates from Buenos Aires, there is no inter-railway competition of importance in Argentina. Under control exercised directly by the Government, freight rates were fixed on the basis of earnings on the recognized invested capital. Nevertheless the railways were in a relatively strong position, due to their virtual monopoly of the existing traffic, although the crisis during the early 30's reduced earnings and wiped out the sources of new capital for replacement of out-of-date rolling stock.

The Argentine Government initiated an extensive, although long-delayed, highway building program in the middle 30's. Concrete-paved trunk highways have now been completed to connect most of the main centres of population and provide access to the ports, and the feeder roads are being graded and improved. The main roads generally parallel the railway lines, with a resulting increase in competition for the railways. As late as five years ago the almost universal short-haul method of transport for grain was in huge high-wheeled wagons or carts drawn by sixteen horses over the mud roads to local railway points or nearby ports. These wagons have completely disappeared, and have been replaced by motor trucks, with a corresponding increase in the radius of the shorter-haul traffic direct to the many ports which fringe the grain-growing zone on three sides. The railways will continue to fill an important role in the internal transportation system but no longer monopolize domestic transportation.

The private railways have had an agreement for some years whereby employee wage rates would be adjustable on a sliding scale based on gross earnings. This agreement was approved by the Argentine Government in lieu of an increase in freight rates and in return for an agreement not to discharge employees during the last economic crisis. The current decline in railway earnings, therefore, brings up the question of the effect of a wage cut that is due at this time when living costs are rising. The railway employees are protesting and the problem is now under discussion.

## POULTRY AND EGG PRODUCTION IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, April 16, 1942.—Production of poultry products in the United States responded rapidly to favourable prices in 1941, and it is anticipated that supplies of poultry meat this year will be the largest on record. The Bureau of Agricultural Economics, in their most recent review of the situation, estimate that from 6 to 10 per cent more chickens and turkeys will be raised on farms this year than last and that some further increase may occur in the annual output of commercial broilers, which is already larger than a year ago.

### CHICKENS

In line with the increase in supply, the price of chickens is expected to decline seasonally later this year, although consumer demand is likely to average higher in 1942 than in 1941, due partly to the relatively greater increase in the price of other meat. On the whole, however, cash farm income from poultry products will probably be much larger this year than in any other year of record. Average farm prices, as reported by the United States Department of Agriculture, were 17 cents per pound in January and 17.4 cents in February as compared with a ten-year average for these months of 13.3 cents and 13.4 cents



respectively. Average wholesale prices at Chicago for live poultry during the first three months of this year are reported as follows:—

*Average Chicago Wholesale Prices of Live Poultry*

1942	Heavy Hens	Broilers Barred Rock Figures in Cents	Roasters White Rock Light per Pound	Roasters White Rock Heavy
January . . . . .	22.0	18.6	18.6	22.4
February . . . . .	21.8	20.8	22.2	24.3
March* . . . . .	21.4	23.3	25.0	26.8

\* Average of prices in first half of month.

Receipts of live fowl at midwest primary markets have fluctuated, but latterly have been smaller than a year ago despite the much larger number of layers on farms this year than last. The movement of dressed poultry, fresh and frozen, at principal markets early this month, was considerably larger than a year ago.

Storage holdings of dressed fowl and chickens on January 1, 1942, were the largest on record despite the fact that during the last few months of 1941 the consumption of chicken meat was practically at its peak. Net withdrawals of poultry from storage since January 1 have been nearly as large as the record withdrawals a year earlier and occurred simultaneously with the largest recorded current production of commercial broilers.

### TURKEYS

Turkey production in the United States has more than doubled during the past fifteen years, rapid expansion having been made possible by the adoption of highly specialized production methods. Turkey-raising in 1941 was unusually favourable for producers, and this has encouraged an expansion of operations in 1942. It is likely that the increase in the number of turkeys raised this year will be at least equal to that of chickens. This would provide by far the largest supply of turkey meat on record. Because of the much stronger consumer demand, however, prices of meats in general will average higher than a year earlier, and prices received by farmers for turkeys, already above those of a year ago, will probably also increase, making for a considerably larger total farm income for turkeys in 1942.

### EGGS

With an average production of about 110 eggs per hen and pullet on farms during the year 1941 as compared with a previous high of 106 in 1938, it is obvious that relatively fewer hens are supplying current egg requirements. Until August of this year it is expected that the number of layers on farms, which in January averaged 368 million, will decline seasonally but will continue much larger than a year earlier. Based on an anticipated increase of 3 to 5 per cent after August, it is estimated that the figure for next January will be in excess of the latest January record of 376 million established in 1928.

As a result of the consequent increase in egg production, a number of marketing problems have arisen in some localities. This is particularly the case in some southern states, where temporary surpluses have developed in what previously have been deficit areas and where marketing facilities have not been so well developed as elsewhere. To cope with this surplus situation the United States Department of Agriculture recently announced a modified purchase plan to assist their price-support program, whereby eggs would be taken over in lots as small as 10 cases. They will also receive and consider offers for the sale of wholesale grades of eggs in lots of 100 cases or more in these southern areas and in carload lots from anywhere in the United States. Eggs offered from

the Southern States must grade U.S. No. 4 standards or better. In all other states only No. 1 standards or better will be considered.

The Bureau of Agricultural Economics reports that during 1941 the Department of Agriculture purchased over 110 million pounds of frozen and dried eggs and  $3\frac{1}{2}$  million cases of shell eggs. The shell-egg equivalent of these quantities is roughly about 15 million cases. Of the total storage holdings of eggs in the United States on March 1, about 16 per cent were owned by the Department of Agriculture. Eggs purchased under this scheme are used for domestic distribution to public-aid families for free school lunches, lend-lease and Red Cross shipment, or for market stabilization reserves.

These government purchases both in producing areas and in the New York and Chicago wholesale markets have provided strong support to prices, although high-grade egg prices are relatively lower than for other grades because of the favourable outlet offered for the latter through the dried-egg industry. It is reported officially that the price of fresh firsts at Chicago in mid-March was about 28 cents per dozen, 11 cents higher than a year earlier. However, press reports indicate to-day that, following a rising trend, current wholesale egg prices on the Chicago exchange reached the highest April levels in twenty-two years. Eggs grading extra firsts sold in carlots at  $30\frac{3}{4}$  cents per dozen as compared with  $22\frac{1}{4}$  cents on the same day last year. The average price received by farmers in February, the latest available figure, was 27.5 cents per dozen as against 16.8 cents a year ago.

#### IMPORTS OF POULTRY AND EGGS

The latest available statistics show that in the calendar year 1940 Canada was the principal supplier of chickens and guineas to the United States but shipped relatively small quantities of turkeys and of eggs in the shell. No dried, frozen or preserved eggs are credited to the Dominion for that year. The quantities and values were as follows:—

#### *Imports of Poultry and Eggs into the United States in 1940*

	From All Countries	From Canada
Chickens and guineas (dressed and undressed) . . . . .Lb.	229,121	208,165
	\$ 49,177	45,998
Turkeys (dressed and undressed) . . . . .Lb.	74,704	1,711
	\$ 12,109	420
Eggs, in the shell . . . . .Doz.	35,297	3,118
	\$ 5,922	1,413
Eggs, dried . . . . .Lb.	40,950	.....
	\$ 14,054	.....
Eggs, frozen and preserved . . . . .Lb.	167	.....
	\$ 33	.....

#### FEED RATIOS

Feed prices have risen considerably in recent months, largely because of the increased demand for feeds from producers of all live stock and live-stock products. These advances, coinciding as they have with the seasonal decline in egg prices, have resulted in a less favourable feed-egg price ratio than that which prevailed during the latter months of 1941, although better than a year ago or the average for the last ten years. Generally speaking, however, the returns over feed costs are on the average larger in the spring months than in the fall and winter. For 1942 as a whole it is estimated that the feed-egg ratio will be less favourable to producers than a year earlier but slightly more favourable than the average.

The feed-chicken price ratio has in recent months been less favourable than the average and than that for a year earlier. As a factor in determining changes in the number of chickens raised on general farms the feed-egg price relationship is said to be more important than the feed-chicken price relationship.



The latter, however, is indicative of changes in commercial broiler and fryer production and to some extent in the breed of chicks purchased for flock replacement purposes. When the feed-egg ratio is relatively much more favourable than the feed-chicken ratio, producers tend to purchase a larger proportion of light-breed chicks.

Any further advance in feed prices will, it is expected, be retarded to some degree by action taken recently by the Department of Agriculture and the Office of Price Administration. Large quantities of wheat and corn owned by the Commodity Credit Corporation are for sale to producers of live stock and live-stock products and a tentative ceiling has been established for several feeds high in animal protein. The Department of Agriculture is also encouraging increased feed production this year.

## FISH MARKETS IN CUBA

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### III. Fish in Cans and Similar Containers

A general idea of Cuba's import trade in fish of all kinds packed in cans, glass, earthenware and similar hermetically sealed containers is provided by the following table showing volumes and values of the various types imported during the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Fish in Cans and Similar Containers*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Anchovies . . . . .Kg.	3,809	7,993	22,091	13,562	15,920	14,669	11,627	15,303	10,029
\$	1,531	4,168	8,216	5,477	8,317	6,362	6,939	9,185	6,310
Tunny fish . . . . .Kg.	53,614	97,483	157,982	171,138	83,299	128,326	132,990	102,514	12,999
\$	11,359	26,955	48,493	48,631	30,230	55,059	47,695	36,801	8,200
Squid, unstuffed . . .Kg.	66,066	105,671	146,440	196,290	120,793	82,167	221,254	181,516	128,326
\$	10,058	25,439	34,577	45,295	54,754	20,244	51,015	45,332	22,820
Squid, stuffed . . . .Kg.	1,526	12,752	11,164	11,176	18,620	5,183	9,431	29,495	18,844
\$	546	4,204	3,706	4,713	8,694	2,949	5,762	13,906	5,582
Sardines, with bones..Kg.	1,058,209	2,087,915	3,504,673	3,031,370	3,054,944	2,558,706	2,051,172	1,977,174	2,908,595
\$	115,673	314,799	434,848	360,158	373,726	344,559	285,568	277,339	383,014
Sardines, filleted . . .Kg.	9,204	15,605	31,456	26,041	80,754	12,473	3,915	15,107	9,394
\$	1,956	3,250	5,311	3,480	14,473	2,804	1,195	4,648	2,202
Salmon . . . . .Kg.	23,684	37,551	24,352	17,140	51,288	58,711	17,923	15,263	25,467
\$	2,695	5,243	4,157	3,503	7,691	9,828	3,741	4,598	8,542
Oysters . . . . .Kg.	4,099	245	13,607	1,933	411	75	141	1,404	19
\$	422	85	1,852	477	179	27	140	408	5
Other canned fish...Kg.	16,989	106,710	256,640	159,335	86,852	151,424	103,941	34,112	31,864
\$	1,855	14,135	31,082	18,180	14,240	22,772	13,184	9,255	9,712
Other canned shellfish.Kg.	41,574	29,180	146,303	64,477	89,519	97,899	44,303	60,694	30,782
\$	5,142	4,196	19,822	15,491	21,788	20,778	14,142	18,586	11,442
Mackerel... . .Kg.	.....	.....	.....	.....	.....	.....	.....	119,467	197,062
\$	.....	.....	.....	.....	.....	.....	.....	14,339	21,589
Total weight...Kg.	1,278,774	2,501,105	4,314,708	3,692,462	3,602,400	3,109,878	2,596,697	2,552,049	3,373,381
Total value . . . . \$	151,237	402,474	592,064	495,405	534,092	485,382	429,401	434,397	479,418

The import of canned fish of all kinds was, of course, subject to the same economic factors as have already been referred to as affecting the trade in dried, salted, smoked and pickled fish. In addition the Spanish civil war had a considerable effect on the importation of certain canned fish items from that country. From July, 1936, when the civil war started, until it was ended and the Spanish fishing industry could again export freely, there was an appreciable price rise and a corresponding reduction in quantities available of certain types of canned fish normally imported from Spain, of which sardines were the most important.

No other canned fish item is comparable in importance with ordinary canned sardines, under which heading is included not only the small Mediterranean type of sardine but also what is called the Californian sardine, which is really a canned pilchard. Over the period under review the imports of this unfileted sardine item alone averaged from 64 to 80 per cent of the total

imports of all types of canned fish. Ordinary canned sardines excepted, the whole of the Cuban canned fish trade is a luxury one that is out of reach of the great mass of the population because of the comparatively high landed cost of all canned goods. This high landed cost is due almost wholly to the very high rates of duty levied on these products, which in almost every case result in duty payments of at least double the original factory value of the product. When wholesalers' and retailers' profits have been added, the price to the consumer is never less than triple the retail price prevailing in the country of origin. The duty rates quoted under each of the following headings give a clear indication of the restrictive effect of these rates on sales.

### ANCHOVIES

The trade in canned anchovies is small and comparatively unimportant, as shown by the following tables of imports during the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Canned Anchovies*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Spain . . . . .Kg.	3,478	5,863	16,089	13,253	13,744	8,783	9,506	12,325	9,058
United States . . . .Kg.	1,334	3,713	7,612	5,229	7,265	5,477	5,819	7,582	5,429
United States* . . .Kg.	206	2,012	5,851	218	1,247	5,755	74	517	69
United States* . . .Kg.	56	336	517	183	482	796	89	354	84
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	32	171	119
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	61	121	96
France . . . . .Kg.	41	102	42	65	917	54	20	78	.....
United Kingdom . . .Kg.	106	105	35	49	564	32	10	9	.....
United Kingdom . . .Kg.	84	.....	31	26	12	27	.....	14	6
Italy . . . . .Kg.	35	.....	13	16	6	17	.....	16	3
Italy . . . . .Kg.	.....	16	78	.....	.....	28	51	204	.....
Portugal . . . . .Kg.	.....	14	39	.....	.....	25	36	179	.....
Portugal . . . . .Kg.	.....	.....	.....	.....	.....	22	1,939	1,993	.....
Argentina . . . . .Kg.	.....	.....	.....	.....	.....	15	917	924	.....
Argentina . . . . .Kg.	.....	.....	.....	.....	.....	.....	.....	.....	777
Russia . . . . .Kg.	.....	.....	.....	.....	.....	.....	5	.....	698
Russia . . . . .Kg.	.....	.....	.....	.....	.....	.....	7	.....	.....
Total weight . . . .Kg.	3,809	7,993	22,091	13,562	15,920	14,669	11,627	15,303	10,029
Total value . . . . \$	1,531	4,168	8,216	5,477	8,317	6,362	6,939	9,185	6,310

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

As this fish is native to Mediterranean and adjacent waters, it is natural that the great bulk of the trade should be in the hands of exporters in Spain and Portugal. The product, rolled or in the form of fillets, is imported in varying sizes of tins and glass containers.

The customs duties and other charges on this type of fish are as follows, per kilogram gross: maximum tariff, \$0.60; general tariff, \$0.30; rate to the United States, \$0.225; Public Works tax, 10 per cent of the duty; weight reduction for tare when in cases and all other containers, 15 per cent; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to imports from all countries.

### TUNNY FISH

A moderately important trade is carried on in "bonito" and "atún", which are very similar in type to the tunny fish caught in the Caribbean and adjacent waters. The following table shows the imports of both of these types of fish for the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Canned Tunny Fish*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Spain . . . . .Kg.	51,123	92,685	153,066	166,210	79,190	77,539	23,943	824	4,866
United States . . . .Kg.	10,752	26,523	47,778	47,345	28,392	39,800	15,097	480	3,736
United States* . . .Kg.	57	37	4,015	4,815	2,339	8,522	1,155	4,424	4,813
United States* . . .Kg.	30	31	489	1,223	1,042	1,533	591	1,641	3,144
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	19	.....	3
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	12	.....	3



*Cuban Imports of Canned Tunny Fish—Con.*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Portugal .. . . .Kg. ....							91,339	97,220	1,190
France .. . . .Kg. ....	12	25	26	107	723	14,084	9,929		537
French Morocco .. .Kg. ....	74	27	26	60	296	4,735	2,456		
United Kingdom .. .Kg. ....				6	1,047	28,127	6,510		
Mexico .. . . .Kg. ....				3	500	8,966	1,468		
Denmark .. . . .Kg. ....							9		2,127
Italy .. . . .Kg. ....							3		780
Other countries .. .Kg. ....	1,590	4,756	875						
	\$ 324	\$ 374	\$ 200						
Total weight .. .Kg. ....	53,614	97,483	157,982	171,138	83,299	128,326	132,990	102,514	12,999
Total value .. .\$. ....	11,359	26,955	48,493	48,631	30,230	55,059	47,695	36,801	8,200

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The true "bonito" and "atún" are imported only from Spain, Portugal and other countries in the Mediterranean area, and this variety of fish comprises the bulk of the imports under this heading. Imports from the United States and Mexico are of the well-known tunny fish. Since the war started, and particularly since the middle of 1940, the Mediterranean type has been more difficult to obtain, as it apparently is being retained for sale in Europe to a much larger extent than formerly.

The customs duties and other charges on this type of fish are as follows, per kilogram gross: maximum tariff, \$0.30; general tariff, \$0.15; rate to the United States, \$0.1125; weight reduction for tare when in cases and all other containers, 15 per cent; Public Works tax, nil; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to imports from all countries.

## UNSTUFFED SQUID

A fairly important trade is also carried on in unstuffed squid, or natural squid or octopus, as is indicated by the following table of imports:—

*Cuban Imports of Canned Unstuffed Squid*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States .. . . .Kg. ....	12	1,114	16,690	20,950	2,982	21,093	6,364	29,436	109,221
Spain .. . . .Kg. ....	3	216	2,968	3,812	555	3,716	1,303	2,294	15,925
Portugal.. . . .Kg. ....	66,054	103,157	129,750	175,340	86,036	12,460	32,603	61	15,405
France .. . . .Kg. ....	10,055	24,919	31,609	41,483	25,231	3,785	6,014	47	5,351
French Morocco .. .Kg. ....					31,611	48,614	175,894	152,019	3,700
United Kingdom .. .Kg. ....					28,892	12,743	42,513	42,991	1,544
							1,593		
		1,400					354		
		304					4,300		
							831		
					164				
					76				
Total weight .. .Kg. ....	66,066	105,671	146,440	196,290	120,793	82,167	221,254	181,516	128,326
Total value .. .\$. ....	10,058	25,439	34,577	45,295	54,754	20,244	51,015	45,332	22,820

Unstuffed squid is a fairly popular fish food in Cuba, both in its simple form and as an ingredient of fish and shellfish mixed dishes. The taste for it is of Spanish origin, and until very recently the great bulk of the imports came either from Spain or Portugal. Latterly the United States has obtained an unquestioned share of the trade, which in 1941, because of shipping and supply difficulties in Spain and Portugal, amounted to about two-thirds of the total imports. At present this is almost entirely a Californian trade.

The customs duties and other taxes and surcharges on this type of fish are the same as those quoted above for tunny fish.

## STUFFED SQUID

Until recently the trade in stuffed squid was also entirely from Spain and Portugal. This is another Spanish taste that has been brought to Cuba. It is a delicacy the consumption of which is not widespread due to its comparatively high cost. In 1941 California also made a bid for this small trade, which had begun to fall off because of conditions in Europe and the consequent shipping shortage from the Mediterranean area. The following table shows the imports during the years 1933 to 1941 inclusive:—

*Cuban Imports of Canned Stuffed Squid*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Spain . . . . .Kg.	1,508	12,752	11,164	10,903	18,620	5,183	5,165	4,437	6,789
\$	542	4,204	3,706	4,563	8,694	2,949	3,058	2,283	3,859
United States . . . .Kg.	18	.....	.....	273	.....	.....	.....	584	12,055
\$	4	.....	.....	150	.....	.....	.....	337	1,723
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	.....	540	.....
\$	.....	.....	.....	.....	.....	.....	.....	324	.....
Portugal.. . . .Kg.	.....	.....	.....	.....	.....	.....	4,191	23,934	.....
\$	.....	.....	.....	.....	.....	.....	2,690	10,962	.....
France . . . . .Kg.	.....	.....	.....	.....	.....	.....	75	.....	.....
\$	.....	.....	.....	.....	.....	.....	34	.....	.....
Total weight . . .Kg.	1,526	12,752	11,164	11,176	18,620	5,183	9,431	29,495	18,844
Total value . . . \$	546	4,204	3,706	4,713	8,694	2,949	5,782	13,906	5,582

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The customs duties and other charges on this item are as follows, per kilogram gross: maximum tariff, \$0.80; general tariff, \$0.40; rate to the United States, \$0.30; weight reduction for tare when in cases and all other containers, 15 per cent; Public Works tax, 10 per cent of the duty; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to imports from all countries.

## SARDINES WITH BONES

The ordinary canned sardine is the most important canned fish item imported into this country. The term "sardine" has a much wider meaning in Cuba than is given to it in practically all other fish-producing countries. Whereas this commercial designation is preponderantly held in world commerce to apply only to the young of the Mediterranean pilchard, and also in certain countries to the young of the herring, it applies in Cuba not only to these but also to the mature pilchard and herring, whatever their origin, however canned and whether natural or filleted. Accordingly this item includes many types of fish which in other countries would be classified separately in the statistics.

After dried codfish this item is the most important fish product in Cuba's import trade. Over the period for which import figures are given below it averaged 72 per cent of the total imports of all types of canned fish. It is supplied in varying quantities by a large number of countries in the Mediterranean, Baltic, American and Asiatic areas. The following table shows the imports for years 1933 to 1941 inclusive:—

*Cuban Imports of Canned Sardines, with Bones*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . .Kg.	289,456	985,450	1,972,373	2,260,837	2,412,852	1,969,884	1,399,113	1,467,507	2,825,597
\$	22,394	92,916	176,548	195,907	239,178	220,133	162,073	166,378	359,697
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	1,639	1,253	30
\$	.....	.....	.....	.....	.....	.....	497	468	28
Spain . . . . .Kg.	668,562	885,694	1,013,911	759,150	437,944	138,359	16,593	38,471	41,124
\$	86,706	202,940	217,187	152,219	96,627	36,495	4,621	13,342	12,260
Portugal . . . . .Kg.	.....	.....	595	.....	24,896	193,218	336,194	467,333	41,100
\$	.....	.....	147	.....	4,489	35,293	61,846	96,588	10,959
Norway . . . . .Kg.	975	2,975	4,549	3,290	22,134	58,702	4,906	843	.....
\$	326	577	1,196	835	5,066	11,768	1,288	290	.....
Belgium . . . . .Kg.	.....	.....	1,403	.....	144,547	141,407	134,589	.....	.....
\$	.....	.....	235	.....	26,377	29,454	26,534	.....	.....



*Cuban Imports of Canned Sardines, with Bones—Con.*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
France .. .. .Kg. ....	71	188	36	2,083	5,170	22,701	.....	.....	.....
..... \$ .....	34	176	38	599	1,075	4,031	.....	.....	.....
French Morocco .. .Kg. ....	.....	.....	.....	.....	.....	36,062	128,270	.....	.....
..... \$ .....	.....	.....	.....	.....	.....	6,868	22,987	.....	.....
Japan... .. .Kg. ....	95,690	209,941	506,403	13	.....	.....	.....	.....	.....
..... \$ .....	5,964	17,834	38,123	1	.....	.....	.....	.....	.....
Hongkong .. . .Kg. ....	.....	.....	.....	.....	5,641	4,021	1,709	1,247	369
..... \$ .....	.....	.....	.....	.....	909	773	351	261	42
Other countries .. .Kg. ....	3,526	3,784	6,654	6,641	4,847	11,883	5,458	20	375
..... \$ .....	283	498	1,471	923	481	2,700	1,340	12	28
Total weight .. .Kg. ....	1,058,209	2,087,915	3,504,673	3,031,370	3,054,944	2,558,706	2,051,172	1,977,174	2,908,595
Total value .. . \$ .....	115,673	314,799	434,848	350,158	373,726	344,559	285,568	277,339	383,014

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

Until recent years, Spain was the principal supplier of this item, and the trade, therefore, was chiefly in the well-known Mediterranean variety (the young of the pilchard), packed in flat tins in a large number of sizes varying from 2 to 6 ounces, in pure olive oil. Although this type of small sardine is still the most favoured in Cuba, it is difficult, under present conditions of shipping shortage, to obtain supplies from the Mediterranean area at reasonable prices. Imports of this type of sardine from those countries since 1939 have greatly decreased, and present prospects are that this condition of scarcity will last for the duration of the war. The recent Spanish prohibition of the export of olive oil is indicative of the scarcity of this product for packing sardines and, although it is still used for this purpose, packers in Spain are said to have begun to turn to the use of peanut and soya-bean oils.

A minor contribution to the sardine trade has been made by the North European countries, particularly Norway. This Norwegian fish is mainly the young of the herring and is packed in sizes from the 3 $\frac{1}{4}$ -ounce Dingley quarter up to a flat 8-ounce size, the oil used being cottonseed, peanut, soya and mixtures of these and a little olive oil. There are small imports from that country and from Great Britain of what is really canned herring. Belgium also, until its invasion, shipped moderate quantities of sardines and herring. The trade of China, Japan and Hongkong is in the canned pilchard.

The share of the United States, which in recent years has greatly increased until it is the largest contribution from all countries, is chiefly in canned pilchards. There is a small trade from Maine in the Bay-of-Fundy type and pack of small sardine, in cottonseed or "salad" oils, but the great bulk of the shipments from the United States are mature pilchard from California packed in mixtures of or in the above-mentioned oils and in tomato sauce. The most popular size is the 15-ounce oval tin, but there is also a small trade in 8-ounce round talls and 10-ounce square flats. The quantity of fish and its food value is greatly superior, at a comparable price, to those of the small type of sardine. It is a by-product of the Californian fish-meal industry and is quoted at a correspondingly low price. The prospect is that this type of fish, under normal conditions, will continue to make headway against the small-type sardine.

These ordinary unfileted sardines are the only canned fish assessed at a moderate rate of duty. This factor is mainly responsible for their importance in the Cuban fish trade. In ordinary times they are not a luxury product, and they fall well within the purchasing power of the bulk of the Cuban population. However, at present the Mediterranean-type sardine packed in olive oil or in so-called "salad" oils is scarce, and the price has advanced accordingly. Tins of Spanish sardines which formerly sold retail at around \$0.05 each are now quoted at \$0.50 each. The advance in price for supplies from other countries of sardines, herring or pilchard not customarily packed in olive oil has not been nearly so great as in the case of the Spanish product.

The present would be an excellent time to introduce Canadian sardines in cottonseed oil into Cuba, but the supply situation in Canada appears to be such that it is improbable that any quantity from the next catch can be allotted to this market.

The customs duties and other charges on this type of fish are as follows, per kilogram gross: maximum tariff, \$0.08; general tariff, \$0.04; rate to the United States, \$0.024; weight reduction for tare when in cases and all other containers, 15 per cent; Public Works tax, nil; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to imports from all countries except the United States.

### FILLETTED SARDINES

A special classification is given in the trade returns to sardines from which the bones have been removed, although the trade in this item is of very little consequence, as shown by the following table of imports during the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Canned Filleted Sardines*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Spain... ..Kg.	8,703	12,849	11,572	14,931	21,388	5,145	1,605	4,078	456
\$	1,624	2,985	3,487	2,405	5,197	1,531	454	1,496	168
United States... ..Kg.	7	2,719	16,856	10,967	34,508	7,212	285	3,562	8,385
\$	3	253	1,417	951	4,502	1,041	129	712	1,970
United States*... ..Kg.	.....	.....	.....	.....	.....	.....	20	331	26
\$	.....	.....	.....	.....	.....	.....	24	133	26
France... ..Kg.	434	.....	72	130	173	361	46	42	.....
\$	301	.....	120	116	109	232	22	18	.....
Norway... ..Kg.	19	37	19	.....	723	.....	.....	.....	.....
\$	6	12	8	.....	190	.....	.....	.....	.....
Portugal... ..Kg.	.....	.....	.....	.....	.....	.....	1,959	7,094	.....
\$	.....	.....	.....	.....	.....	.....	566	2,289	.....
Hongkong... ..Kg.	.....	.....	.....	.....	.....	.....	.....	.....	527
\$	.....	.....	.....	.....	.....	.....	.....	.....	38
Belgium... ..Kg.	.....	.....	.....	.....	23,962	.....	.....	.....	.....
\$	.....	.....	.....	.....	4,475	.....	.....	.....	.....
United Kingdom... ..Kg.	6	.....	3	7	.....	.....	.....	.....	.....
\$	4	.....	4	6	.....	.....	.....	.....	.....
Japan... ..Kg.	.....	.....	2,934	6	.....	.....	.....	.....	.....
\$	.....	.....	275	2	.....	.....	.....	.....	.....
Russia... ..Kg.	35	.....	.....	.....	.....	.....	.....	.....	.....
\$	18	.....	.....	.....	.....	.....	.....	.....	.....
Total weight... ..Kg.	9,204	15,605	31,456	26,041	80,754	12,718	3,915	15,107	9,394
Total value... ..\$	1,956	3,250	5,311	3,480	14,473	2,804	1,195	4,648	2,202

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

Filleted sardines are more or less a luxury item, since both their original cost and the rate of duty payable on them are very much higher than in the case of the ordinary unfilleted sardine. Until recent years Spain had practically a monopoly on this small trade, but since 1933, as was the case with the ordinary sardine, the California industry has made considerable headway. The type of filleted sardine supplied from the United States is again the pilchard, and it is usually packed in square, flat tins varying in size up to 10 ounces according to brand.

Under this item is also included a small trade in canned filleted smoked and kippered sardines, that are mainly herring, some of which (kipper fillets) are imported from Canada, as well as various other preparations of sardines, herrings and pilchards prepared in fancy style or after a special fashion.

The customs duties and other charges on this item are as follows, per kilogram gross: maximum tariff, \$0.60; general tariff, \$0.30; rate to the United States, \$0.225; weight reduction for tare when in cases and all other containers, 15 per cent; Public Works tax, nil; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to imports from all countries.



## CONDITIONS IN THE CUBAN AND DOMINICAN REPUBLIC DRIED AND SMOKED FISH MARKETS

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### Cuba

Havana, April 15, 1942.—Trading in the Cuban dried salt fish market has been practically suspended.

#### HAVANA MARKET

As a result of the shortage of shipping space, operations in the Havana dried salt fish market are at a complete standstill, Canadian exporters refusing to offer until the present accumulation of stocks of approximately 600 bales awaiting transshipment from New York have moved forward to Havana buyers. As a consequence of this situation, stocks in the hands of local importers are running low, and there is no indication that replacements can be expected at an early date. The future of the Havana market now depends entirely on shipping accommodation between this port and those on the mainland.

#### SANTIAGO DE CUBA

For the same reason Canadian exporters have discontinued offering on a c.i.f. Santiago de Cuba basis. Recent quotations f.o.b. Canadian ports of \$15.20 and \$14.70 for medium and small cod in drums of 128 pounds have not found buyers, as there is no indication as to when shipping space will be available.

### Dominican Republic

During the five-week period March 1 to April 5 there was practically no change in the fish market conditions in the Dominican Republic as outlined in the monthly report for March. The consumption of fish during Easter week was only about 50 per cent of what it was in former years. Importers, however, were agreeably surprised at the demand, since a sharp contraction in sales was expected because of the prevailing high prices for all types of dried and smoked fish. After Easter and the close of the Lenten season a sharp drop in sales was expected.

Because of the demand, wholesale prices for every type of dried salt fish were about \$1 above those obtainable in the previous month. There was no change, however, in the c.i.f. prices quoted in last month's report, but these are not expected to hold, since they were made possible only by the demand for Easter, combined with the shortage of supplies. Great difficulty is being experienced in obtaining shipping space from the usual supply points, as regular steamship service from Atlantic ports was terminated some time ago. Steamers now call at irregular intervals only.

Pollock and haddock have been selling at the same price as codfish because of the scarcity of all three types. There have been no arrivals of hake, and since all stocks have disappeared from the market, there have been no sales.

There has been only slight activity recently in bloaters and no increase in price. Magdalen 90/110s are still quoted around \$2.15 to \$2.25 c.i.f.

## PRODUCTION OF BARYTES IN IRELAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, April 15, 1942.—Before the outbreak of war, supplies of barytes were obtained principally from Continental Europe. The better grades, on account of their low oil absorption and whiteness, were particularly in demand by British pigment manufacturers and other consumers. The mineral occurs in the State of Missouri, in the United States, and quite commonly throughout the United Kingdom, where many mines are in operation.

The development of a barytes deposit in Ireland on the border between counties Sligo and Leitrim will be of interest to Canadian firms who, due to the lack of domestic supplies, import this product. However, pink ground barytes, suitable for oil-drilling purposes, is now produced in the Dominion.

### PRINCIPAL USES

Barytes is used mainly in the production of pigments and paint powders. It is also used as an extender or diluent with high-grade colours in making the cheaper qualities of ready-mixed paints, its purpose being to increase the solids at the expense of good pigments. This is perhaps more apparent in respect of paint that is sold by weight and not by volume, for barytes, having a high bulking value, permits of the manufacture of high gravity paints. In many cases it is impracticable, due to the prohibitive cost, to make paints entirely from true pigments. In finishing coats, where gloss is essential, no barytes is used. It is favoured as a base for flat paint or under-coating, because it possesses good covering and filling properties and provides a flat, or matt, surface suitable as anchorage for the final application of the better-quality paint. For this purpose four pounds of a pigment to one gallon of medium may meet the requirements for covering. This composition would dry with a glossy finish if the medium were high in solids. The addition of barytes increases the amount of solids and compensates for the lack of true pigment, the reduction in gloss depending upon the amount of barytes added. Barytes is less expensive than white lead, zinc oxide and many other coloured pigments.

### LITHOPONE

Barytes is used as the source of many barium preparations. Lithopone, which is probably the most widely used of white pigments, consists of approximately 70 per cent barium sulphate and 30 per cent zinc sulphide. It is manufactured by double decomposition from barium sulphide (made by roasting barytes with carbon) and zinc sulphate. When the aqueous solutions of these two salts are mixed, zinc sulphide and barium sulphate are precipitated together. This pigment has fairly good covering properties, due to the zinc sulphide. Here also the barium sulphate acts as a cheapening agent or extender. Lithopone is used in the manufacture of many paints, but is not suitable as a pigment for good-quality outside work, since it deteriorates rapidly on exposure, due to chalking of the film. Barytes combined with titanium, a grey metallic element, is another pigment in which the former is in part an extender.

Barytes is also used in the form of a thick paste as a knifing filler or stopper and in the paper, rubber, linoleum, linen and cosmetic industries.

### CHARACTERISTICS

Barytes (barium sulphate) has a specific gravity of 4.5, which is high for a mineral without metallic lustre. Being a mineral, it contains impurities, but practically all of these can be entirely eliminated by special processes. Hydro-



chloric acid is used to remove calcite (calcium carbonate), while iron oxide ( $\text{Fe}_2\text{O}_3$ ) can be bleached out by passing the mineral, after granulation, through a rotary machine containing dilute sulphuric acid into which small quantities of steam are injected under high-pressure. The remaining impurities can be dealt with by means of other bleaching agents, the temperature being always kept about  $70^\circ \text{C}$ . After bleaching, the barytes is washed in alkaline water to neutralize any traces of acid and, after a second washing, this time in pure water, it is dried and is ready for grinding. Naturally discoloration is a disadvantage, as a greater proportion of the pure pigment has to be used to obtain a given shade. Barytes has the quality of immunity to the effects of sunlight or air contaminated by acids, such as hydrochloric acid. This quality, however, does not necessarily obtain in any chemical combination with other elements. When valuing barytes paint manufacturers also take into consideration the oil-absorbing quality of the material. The lower the quantity of oil taken up the less medium will be required to "wet" the pigment in actual manufacture.

The main drawback to the use of barytes as a constituent of paint is that, owing to its high gravity and crystalline form, it settles rapidly. An ordinary paint of good quality might weigh only 16 pounds to the gallon, whereas a cheap mixture, on account of the barytes content, would weigh as much as 26 to 30 pounds to the gallon. It is, therefore, a more common practice to use other more voluminous and amorphous extenders (such as asbestine) in conjunction with barytes to check this settling tendency. Laboratory precipitated barium sulphate, as distinct from barytes, is also used in paint manufacture as *blanc fixe*, which is practically pure barium sulphate. This is much finer and better in quality than barytes, but it costs at least twice as much as the natural mineral.

#### MINING AND PROCESSING

The deposit of barytes on the west coast of Ireland is owned and is being mined by Benbulbin Barytes, Limited. It is in a vertical fissure, about seven feet in width, cutting across the carboniferous limestone of this area. It has now been traced and opened up for a distance of about a mile and a half and is thoroughly mineralized with barytes, i.e., there are no vacant spaces in the fissure that are not filled up with minerals. The outcrop is approximately 2,000 feet above sea-level, and the mineral has been found to be compact down to the 1,250-foot level. Below this point the barytes changes over gradually to calcite, for which there is no demand.

During the past ten months about 5,000 tons of crude material have been extracted, the mineral, on the average, being as white as the best grades from various European mines. Analyses at various points have shown from 96 to 98 per cent  $\text{BaSO}_4$ ; the other main constituent is silica ( $\text{SiO}_2$ ). The quality obtained has so far proved to be excellent for the manufacture of lithopone, since, owing to its occurrences in the form of thin scales, the crude barytes splits up readily when subjected to heat. It has not, therefore, to be finely ground before being placed in the oven. Contracts have been placed with British firms in the paint trade, owing to the high barium sulphate content and the whiteness of the mineral.

As an improvement on the present method of transportation, an aerial ropeway is being erected that will bring the crude material to a main road within six miles of the shipping port. The mineral is extracted by using compressed-air drills and stoping equipment. Grinding and refining works are being installed adjacent to the harbour, where there will be both railway-siding and loading accommodation for ocean-going ships. The works will have a dry grinding plant of the Raymond Lopulco type, well known in Canada and the United States. This is an air-swept mill capable of producing from three to five tons per hour and grinding to the standard of fineness desired by the

purchaser. The plant can produce barytes as required from 180 mesh to 300 mesh.

A micronizer is also being installed for producing very finely ground barytes. This part of the equipment consists of three 30-inch units, operating on super-heated steam. It can reduce the barytes to an average of  $2\frac{1}{2}$  microns. The advantage of this modern process is that it reduces the apparent density of the mineral, making it possible to obtain a non-settling barytes, as the reduction is extremely fine and regular. Up to the present the impalpability has been generally considered to be 300 mesh, which gives a grain diameter of 52 microns, but barytes can now be reduced to an average of  $2\frac{1}{2}$  microns, giving a maximum size for tops (an occasional big grain) of 10 microns. It has been found by laboratory tests that a high proportion of the powder is actually under one micron. Before the war only two firms produced micronized barytes, one in Bergen, Norway, and the other in the south of France.

#### IMPORTS INTO CANADA

Canada is an importer, not an exporter, of barytes. The following table shows imports into the Dominion in the most recent years for which statistics are available:—

##### *Canadian Imports of Barytes*

	1937	1938	1939
United Kingdom . . . . .Cwt.	8,945	4,705	3,483
	\$ 7,605	3,623	2,791
Germany . . . . .Cwt.	22,803	24,186	26,291
	\$ 15,762	16,212	17,124
Italy . . . . .Cwt.	348	1,407	3,998
	\$ 228	1,159	2,461
United States . . . . .Cwt.	5,790	8,537	14,081
	\$ 6,589	9,898	18,800
Total imports . . . . .Cwt.	37,886	38,835	47,853
	\$ 30,184	30,892	41,176

According to the foregoing figures, Canada purchased smaller quantities from the United States but at higher values than those of supplies from Europe. This is explained by the fact that transportation charges on sea-borne cargoes from Europe are lower than railway freight rates on North American supplies.

#### AGRICULTURAL CONDITIONS IN NORTHERN IRELAND

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Dublin, March 30, 1942.—Due to adverse weather conditions, the year 1941 was one of the most trying that the Ulster farmer has experienced in a number of years. Notwithstanding the unfavourable season, efforts to increase production were successful, and it is estimated that the total area under cultivation was over 20 per cent greater than in 1940.

#### LIVE STOCK

With respect to live-stock conditions, the most outstanding development was an increase of some 40 per cent in the number of in-calf heifers, as shown in the returns for June. Dairy herds increased appreciably, which is important in view of the necessity of maintaining milk supplies. The sheep and pig population showed a further decrease this spring, the latter by about 25 per cent from the figure recorded for the previous year. The number of breeding sows also declined, but producers now realize that this must not continue, otherwise the important position that the pig industry of Northern Ireland has attained,



due in no small measure to the Government's pre-war marketing scheme, will be endangered beyond its capacity for quick response to post-war reconstruction. The decline in the number of sheep shows encouraging signs of reaching its limit. To persuade farmers to use hilly country for sheep-grazing, a special allowance of 2s. 6d. per breeding ewe has been granted. The amount distributed to farmers during 1941 under this scheme, known as the Hill Sheep Subsidy, amounted to £23,000. The rate for 1942 has been raised to 7s. 6d. per ewe, as an additional incentive to increase the production of mutton and wool.

### POULTRY

Despite the rationing of animal feedstuffs, effective since February, 1941, and additional restrictive legislative measures introduced later, the number of poultry was considerably increased. Egg control, which came into force towards the end of the year, was in part responsible for this increase.

### GRAIN AND POTATOES

The Government grant of £2 per acre for fresh tillage has resulted in almost another quarter of a million acres of old lea land being ploughed. This contributed to the increase of 21 per cent, as compared with the 1940 figure, in the total area under production. The area sown to oats was also considerably larger than in the previous season. Wheat acreage rose by almost 50 per cent, but barley, which in 1940 had been rather a disappointing crop, showed only a marginal gain. Both the yield and quality of the grain marketed during 1941 showed an improvement as compared with the previous year.

There was an increase in potato production of approximately 20 per cent. Early in the season, in order to stimulate cultivation, a subsidy of £10 per acre was introduced by the Ministry of Agriculture. Toward the end of the year some £1,250,000 had been disbursed among about 50,000 potato growers. Arrangements were also made for the establishment of nine processing factories for the production of potato flour.

### MILK PRODUCTION

In 1941 the system of wartime control of prices and supplies was extended to a variety of commodities, including milk. The Minister of Agriculture, acting as agent for the Ministry of Food, now purchases all milk sold off farms in Northern Ireland. In view of the considerable increase in the area allocated to tillage, care had to be exercised that pasturage for dairy cattle did not suffer. Precautions in this direction were so successful that after all dairy requirements had been fulfilled a surplus milk yield permitted of shipments to Scotland to meet a temporary shortage there. Normally Northern Ireland consumes only about one-third of its total milk production, the remainder going to creameries and cheese factories. To offset the rise in costs, producers' prices were advanced for the period April, 1941, to March, 1942, by amounts varying from 4d. to 1s. 1d. per gallon over pre-war levels. The average price for the year was roughly equivalent to 8d. per gallon in excess of that charged before the war. Retail prices were controlled, so that the consumer would not be required to pay more than 8d. per gallon extra.

Another important development was the establishment of a factory for the evaporation of milk to about one-third of its normal volume, which makes it more easily handled both from a storage and a transport point of view.

### MECHANICAL EQUIPMENT

At the outbreak of hostilities the Government of Northern Ireland was faced with the problem of obtaining adequate supplies of tractors and farming

machinery to carry on the proposed tillage drive. Difficulty was encountered because the demands of the mechanized branches of all the war services were accorded priority. However, the number of tractors operating in the country has increased from 500 to over 3,000. Tractor ploughs have increased in number by over 2,000, binders by over 600, disk harrows by over 1,300, and flax-pullers by 240. One of the principal factors contributing to this improvement was the Government's hire-purchase scheme for tractors and agricultural machinery. Farmers have obtained equipment under this arrangement to the value of approximately £250,000.

## TARIFF CHANGES AND TRADE REGULATIONS

### South Africa

#### LOW PRIORITIES REQUIRED FOR IMPORT LICENCES

With reference to the notices concerning the import licensing system adopted in the Union of South Africa as from September 15, 1941 (see *Commercial Intelligence Journal* Nos. 1964 and 1965: September 20 and 27, 1941) whereby all imported goods require permits, Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town cables under date May 1 that the Controller of Imports will refuse applications for import permits for goods from Canada or the United States for which the Import Control Board has decided on a priority rating less favourable than No. 8.

Hitherto priority numbers ranging from 1 to 17 have been assigned to import permits, the lower figures being given to the more important goods. The purpose of the ratings is to assist the South African importer to obtain release of goods which are controlled in foreign countries and to obtain shipping space.

### New Zealand

#### INCREASED IMPORT QUOTAS FOR SOME COMMODITIES

Mr. C. B. Birkett, Acting Canadian Trade Commissioner in Auckland, sends information of increased quotas for the licensing of certain imports into New Zealand during 1942.

A Customs Memorandum of March 5, 1942, announced that artificers' tools (excluding circular saws, axes, hay forks, and tools especially suited for jewellers' use) may be imported from all sources up to the full value of similar goods imported from the same sources in 1938. Previously the 1942 quota was based on importations during 1941, which had been limited to 50 per cent of 1938 importations (100 per cent admitted from United Kingdom). Future licences will not be available, however, for imports of long-handled round-mouthed shovels, sizes 2 and 3.

Provision has been made for the admission, from any source, of tools required for housing construction up to the value of licences applied for, provided the applicant has previously imported similar tools; otherwise the limit is 100 per cent of imports in 1941. Licences granted for imports from the United Kingdom may be amended to permit of importation from the United States or Canada.

Children's boots and shoes, sizes 0 to 9 inclusive, may be licensed for admission from all British sources up to 200 per cent of the amounts of licences granted for the imports of similar goods from the same sources in 1940. The original allocation under this item for 1942 was 50 per cent of the 1940 importations, but a previous amendment (announced in *Commercial Intelligence Journal* No. 1974: November 29, 1941) had raised the quota to 100 per cent.

The allocation for imports of watch and clock oils in vessels of less than one gallon has been increased from 50 per cent to 100 per cent of importations of similar goods in 1941.



## British Guiana

### REQUIREMENTS FOR PREFERENCE ON TRANSHIPPED GOODS MODIFIED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that for British preferential tariff treatment on Canadian products shipped via United States ports the Customs of British Guiana are prepared to accept the usual certificate of origin with bills of lading endorsed by the steamship companies to the effect that the goods were received in bond at port of shipment. This modification in preferential tariff regulations is the same as that adopted by Trinidad, notice of which was published in *Commercial Intelligence Journal* No. 1993 (April 11, 1942), page 379.

## Jamaica

### USE OF NEWSPRINT RESTRICTED

Mr. F. W. Fraser, Canadian Trade Commissioner, Kingston, reports that, effective May 1, 1942, the Jamaica Government's Trade Control Authority has issued an Order further to restrict the use of newsprint in that colony. The new Order, which rescinds that in effect since October 15, 1941, prescribes limits of size for all publications. The principal effect of the Order will be a reduction in the only daily newspaper in the colony to an average size of eight pages per day as compared with an average hitherto of twelve pages.

It is also prescribed that publications other than newspapers shall not exceed one-third of the size printed during the year ending July 31, 1941.

## Newfoundland

### REGULATION OF EXPORTATION OF SALT FISH

The Exportation of Salt Fish (Permits) Act, 1942, enacted by the Government of Newfoundland on April 1, 1942, provides that no person may export from Newfoundland any quantity exceeding two quintals (224 pounds) of salted codfish, haddock, hake, ling, pollock, or cusk, except under permit issued by the Newfoundland Fisheries Board. The applicant for an export permit must declare the quantity, quality, and kind of fish to be shipped, the price and terms of sale, place and manner of payment, name and address of consignee, date of proposed shipment, and other specified particulars. The Board may issue or refuse a permit, and an applicant aggrieved by the Board's decision may appeal to a Permit Committee consisting of the chairman and one other person appointed by the Board and two persons appointed by the Salt Codfish Association. The decision of the Committee shall be final. The Exportation of Codfish (Permits) Act, 1938, is repealed.

### POTATOES EXEMPT FROM DUTY

Notice has been given by the Secretary of Customs of Newfoundland that as from April 16, 1942, until July 31, 1942, potatoes imported into Newfoundland will be exempt from customs duty. The duty was 29 cents per bushel.

## EXCHANGE CONDITIONS IN CHILE

### W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, April 20, 1942.—There is a strict system of control of exchange and imports in force in Chile.

Since the demand for dollars still exceeds the supply, Canadian shippers of merchandise to Chile must anticipate some delay in receiving payments owing them. A policy of reasonable caution is advocated, and balances outstanding should not be allowed to reach too high totals.

In the granting of exchange, preference is given to applications to import raw materials and prime necessities, such as wood-pulp for the production of paper, yarns for the textile mills, pharmaceuticals, equipment for the state railways, gasoline, sugar for the refineries, and repair parts for machinery already in operation. Applications to bring in increased quantities of non-essential and luxury goods are discouraged.

#### DOLLAR EXCHANGE

For practical purposes there are two main rates of exchange at which payments are made for imports of goods into Chile. The first is the export draft rate, which the Exchange Control Commission has fixed at 24·90 Chilean pesos buying and 25 pesos selling to the United States dollar for certain import and export business. This type of exchange is utilized for imports of raw materials and prime necessities, and invariably the applications on hand exceed the dollars available at this rate, the current delay being approximately six weeks.

The second principal rate is the D.P. (now extended to include gold, mining, agricultural, and free exchange), which after authorization by the Commission can be purchased at 31 Chilean pesos to the United States dollar. This exchange is used principally for the purchase of so-called luxury goods and certain other articles which the Commission designates. According to advice recently received, the supply of D.P. dollars is not as plentiful as heretofore, and there is a delay of approximately one week, and in some cases slightly more, before these are made available for payment for imports.

However, it is possible that the substantial dollar returns anticipated from the new copper tax will assist considerably in relieving the prevailing shortage of exchange. The Amortization Institute reported that certain payments were to be resumed on Chilean foreign debt, half of its income of U.S.\$9,485,836.59 in 1941 being earmarked for interest payments at 1·558 per cent made on February 1, 1942. With the remainder other bonds were retired, and the current balances of bonds of external debt in circulation are estimated as follows: U.S.\$167,095,500, Swiss francs 108,680,500, and £27,761,171.

#### IMPORT QUOTAS

Permits for most imports are granted on a quota basis, the amount allowed to any one importer depending upon his importations of the same commodity during the last two years. Importers should experience no difficulty in obtaining permission to bring in goods from Canada, provided such quotas have not already been filled from other countries. The chief point to be observed, however, is that payment be obtained for the goods, since in general and for some time the Exchange Control Commission has refused to grant exchange until the merchandise ordered has arrived in Chile. Even after delivery at the customs warehouse, there is a delay of approximately six weeks in most cases. Canadian exporters, therefore, in order to protect themselves as far as possible, should give instructions that shipments are to be released only against payment in United States dollars.

#### TERMS

Payments for imports from Canada into Chile are dependent on the granting of United States dollar exchange, which is subject to the delays mentioned above. Due to the ruling of the Commission that exchange cannot be granted until the goods have arrived in Chile, it is possible only under very exceptional circumstances—and impossible for some importers—to open a letter of credit. In the case of some exporters to Chile it has been possible to arrange, and they have been willing to accept, a deposit of Chilean pesos to cover the full dollar amount of the order before shipment of the material. The goods are then forwarded upon receipt of advice from a recognized banking institution in Chile that such a deposit has been made. Dollars are then provided



against the presentation of a sight draft on the arrival of the goods in Chile, and all expenses involved through fluctuations in exchange, collection charges, etc., are for the account of the purchaser. However, these conditions apply only to Chilean national concerns whose financial standing is beyond question.

At present, therefore, it is not recommended that better terms than cash against documents be granted other than to large, old-established firms that may have funds available abroad through their own export activities. The exercise of caution is advisable, and care should be taken that amounts owing do not exceed a reasonable sum.

### QUOTATIONS

When making quotations to Chilean concerns, shippers in Canada are advised to quote prices in United States dollars, as, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This precludes any confusion between the official and non-official rates for Canadian dollars in American funds, as well as expressing prices in the medium of exchange which is most common in this market. If it is necessary to quote in Canadian dollars, however, a clear indication should be given of the exchange allowance granted to convert these offers into American funds.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 4, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 4, 1942, and for the week ending Monday, April 27, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 27	Nominal Quotations in Montreal Week ending May 4	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2284	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2621	.2618	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6328	.6328	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Ruppee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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## CONDITIONS IN NEW ZEALAND IN 1941

C. B. BIRKETT, ACTING TRADE COMMISSIONER

(One New Zealand pound equals \$3.60 Canadian.)

Auckland, March 12, 1942.—Conditions in New Zealand during 1941 were not greatly affected by the war. Although the Dominion's contribution to the Empire's effort in manpower and foodstuffs has been on a scale proportionately unequalled in many countries, she has been well repaid for the foodstuffs, and the cost of maintaining the thousands of troops sent abroad is being largely met by loans from the United Kingdom. The Mother Country has been purchasing most of New Zealand's exportable produce at very satisfactory prices, as the result of which the farming industries have fared a great deal better than appeared possible during the opening stages of the war, when the danger to shipping constituted a grave threat to the nation's whole economy. So far New Zealand has survived this threat.

Owing to an expanding market for locally manufactured products, the calling up of men for service at home and abroad, and the profitable export market that has continued to be available in Britain, employment was easy to obtain throughout 1941, despite an increase in industrial unrest, and wages have been high, with an abundance of money in circulation. Moreover, the prices of several essentials have been stabilized by means of government subsidies, and strict supervision by the Price Tribunal has checked advances in the prices of others.

Despite a further tightening of import control and the growing effect of export control in countries of supply, the value of New Zealand's imports in 1941 was slightly higher than for the previous year. Rising prices and large government purchases of war materials would account for this. Appreciable relief to the situation created by certain shortages of goods required for ordinary purposes was afforded by further expansion of the nation's secondary industries. Exports for 1941 were lower in value than for 1940 but well in advance of the total for 1937, the peak year of the 1933-39 period. The favourable trade balance fell from £24,743,000 in 1940 to £18,312,000. This balance, however, is higher than any, excepting that for 1940, during the past eight years. The financial support to the general war effort afforded by this satisfactory trade is evidenced by the maintenance at a high level of the net funds held in London, the total of which stood at £25,275,000 at December 31 last.

All things considered, therefore, conditions in New Zealand, after over two years of war, have been remarkably good by comparison with those in most other countries. Continuance of these conditions, however, cannot be expected. The entry of Japan into the war in December marked the end of a phase in this country's effort. The change of attitude and increased activity in the face of a renewed and graver threat to communications—not to mention the possibility of air raids and an invasion—is quite apparent. More men have been called up, both for home defence and service abroad, which has presented a serious problem in respect of maintaining output, both primary and secondary, on the increased scale called for in 1942. New Zealand's part in the war has entered a new phase, one that is more truly national in character.

### OVERSEAS TRADE

Although £6,262,000 below the 1940 figure, the value of exports for the calendar year 1941 reached the high total of £67,479,000, or £766,000 more than that for 1937, which was the next largest since 1933. Imports, while showing a slight increase over the figure for the previous year, remained substantially below the peaks of 1937 and 1938, the result being a favourable balance of £18,312,000, which over the past nine years is second only to the noteworthy

figure of £24,743,000 achieved in 1940. Returns for the past nine years are as follows:—

*Summary of New Zealand Trade*

	Exports	Imports	Excess of Exports
1933 .....	£41,006,000	£25,581,000	£15,425,000
1934 .....	47,343,000	31,340,000	16,003,000
1935 .....	46,538,000	36,317,000	10,221,000
1936 .....	56,752,000	44,259,000	12,493,000
1937 .....	66,713,000	56,161,000	10,552,000
1938 .....	58,376,000	55,422,000	2,954,000
1939 .....	58,049,000	49,387,000	8,662,000
1940 .....	73,741,000	48,998,000	24,743,000
1941 .....	67,479,000	49,167,000	18,312,000

During the first half of the normal export and production season (July to December) the value of exports reached £30,823,000, being £1,714,000 more than during the corresponding period of 1940 and the highest in the past five seasons. This movement of produce indicates the remarkable way in which shipping facilities have been maintained. Imports increased also, the value reaching £27,110,000, representing an advance of £2,982,000 over the 1940 figure. These values, however, are still below those for the 1937 and 1938 periods.

Control of imports during 1941, according to the letter of the regulations, was more severe than in the previous year. Import licences issued for the latter half of 1939 were made valid until June 30, 1940; not so in 1941. The value of goods which failed to reach New Zealand by December 31, 1940, was deducted from the allocations provided for in 1941, and the prospects during the early months of the year pointed to a further reduction in imports. By this time all non-essential goods had long been disposed of, and serious shortages were being felt in several commodities essential to the health, economy or war effort of the Dominion. These conditions resulted in an appreciable increase in the issue of special import licences, a good proportion being transferences from the United Kingdom to North American sources. Many of these, unfortunately, came too late to be of use, owing to the changed position in countries of supply and the shortage of shipping space. Nevertheless, largely as a result of purchases of war materials and equipment, much of which was done by the Government, the total value of imports for the year was higher than for 1940. During the last quarter several important items that were previously prohibited or restricted were licensed, such as silk stockings, tires, textiles, building materials, etc., but in the majority of cases they were unobtainable, at least in the quantities required. That is the position to-day, one which may be described as mainly controlled from without rather than from within.

The schedule of restrictions to be applied in 1942 was announced in July, 1941. This included the permission to carry over fifth period (1941) licences to June 30, 1942. In general the allocations for the current year are 50 per cent of those granted for 1940, with an increase in the number of items on the "control" list. Many changes, most of them concessions, have been made to the schedule since announced last July, until the position described above has been reached.

Trade returns for the full year are not yet available, but those for the first nine months show that imports from Canada were to the value of some £200,000 greater than for the same period in 1940, but about £1,500,000 less than for the 1939 period. The 1941 nine-month figure was £2,274,918.

PRIMARY PRODUCTION

During 1941 the production program of New Zealand underwent considerable reorganization to meet a changing situation in respect of Britain's requirements, minimum domestic needs, and the shipping situation. It involved, and is involving, a further swing to wool production from meat, owing to the shortage



of refrigerated shipping space; an increase in cheese production at the expense of butter; an increase in flax and wheat output; and the maintenance of the 1940 output of other products.

#### WOOL

Throughout the year shipping facilities were better maintained than at first expected. Shipments of wool were regular, although on a smaller scale than in 1940. The carry-over of meat at September 30, which was expected to reach 110,000 tons, was much less and most of it was disposed of by December 31. While the objective is to stabilize or reduce production of meat, killings from October 1 to November 30 last showed an increase over the 1940 period, this increase being partly explained by the need for extra culling. Beef and bacon productions show considerable decreases to date.

Great Britain purchases under agreement the total wool clip, and every effort is being made to increase production. For the year ended March 31, 1941, New Zealand sold wool to the United Kingdom to the value of £15,120,578, an increase over the previous season's figure of £2,480,853. The first wool appraisal for the 1941-42 season, held in November last showed that the clip should be one of the largest and best for some years.

#### BUTTER

During the season ending July, 1941, New Zealand shipped 130,000 tons of butter to the United Kingdom, the principal market; the carry-over totalled 17,500 tons. With the expected heavy increase in cheese output this season, production of butter will be substantially reduced. The industry, however, will be protected by the Government against the possibility of an unexported surplus. No announcement has yet been made as to the quantities Great Britain will take, but they are certain to be much smaller than last season's shipments.

#### CHEESE

Production of cheese in 1940-41 totalled some 110,000 tons, most of which was exported to Great Britain. It is proposed during the present season to produce sufficient to ship 160,000 tons to that market, an increase of about 50,000 tons. This will necessitate a considerable degree of reorganization among producers of butter and cheese, and the Government is giving every assistance, financially and otherwise. It is reported that fairly good progress has been made so far, although no statistics are yet available.

#### WHEAT

In the production of wheat New Zealand's 1941-42 objective is still 300,000 acres, and efforts to achieve that figure have been intensified. At the close of the year, however, the estimate for this season was 253,000 acres to yield approximately 8,600,000 bushels. This compares with an acreage for 1940-41 of 243,197 and a yield of 8,305,865 bushels. Both acreages and productions were above the averages for the previous ten seasons. The expected production of oats is 2,550,000 bushels as compared with 3,114,946 bushels for the 1940-41 season. That of barley is put at 1,300,000 bushels as compared with 1,066,408 bushels for last season.

#### FLAX

The area seeded to linen flax in 1940-41 was 15,000 acres, and the fibre produced was regarded by British buyers as very satisfactory. With financial backing and encouragement from the Government, the industry has achieved a noteworthy production in its first season of approximately 2,000 tons of fibre; the objective for 1941-42 is 25,000 acres.

Statistics of total values of production, usually available February 1, have not yet been published.

## MANUFACTURING

Development of New Zealand's secondary industry made further progress in 1941 under the sheltered domestic market provided by import restrictions. In this development it is apparent that those industries dependent on overseas countries for their supply of raw materials, although readily granted licences to import, are finding it increasingly difficult to obtain deliveries. The export control of metals, rubber, textiles, etc., is being felt to an increasing degree, and in most cases, government assistance is required in obtaining the release of these commodities for export to this country. The quantities obtained are very often disappointingly small. Those industries using locally produced materials are endeavouring to increase output to an extent commensurate with the skilled labour available. Although the withdrawal of nearly 100,000 men from civil life has reduced civilian consumer demand, it has produced an increased demand for munitions, equipment, foodstuffs, clothing, and footwear. Factories engaged in this work are extremely busy. The 40-hour week is still in force, which necessitates much overtime at increased rates of pay.

According to the latest statistics (March, 1940) 108,722 persons were engaged in factory production. The number engaged in real manufacturing was, however, 76,665, producing goods to the value of £54,726,700. Several new factories are now in operation making building boards, macaroni, spoons and forks, various military equipment, and electrical goods. Prices in general are much higher than for the imported article. A New Zealand-made electric washer, for example, is priced in the neighbourhood of £60, and a 4.5-cubic foot refrigerator at £75 to £80.

Further expansion in manufacturing industries looms large in the Government's tentative plans for the rehabilitation of the members of New Zealand's armed forces after the war.

## GOVERNMENT FINANCE

New Zealand's second war budget, introduced on July 16, 1941, calls for substantially increased expenditures during the current financial year, but for no increase in taxation. The total budget authorizes the spending of £138,627,000, nearly £40,000,000 more than for 1940-41. Of this amount, £69,700,000 is for war purposes, and £68,927,000 is for civil purposes. Civil expenditure is apportioned as follows: £37,712,000 on ordinary account, £20,615,000 on a new national development program, and £10,600,000 on social security. To provide the moneys necessary, £81,677,000 is to come from revenue and the remainder (£56,950,000) from loans. Of the sum to be borrowed, £31,000,000 is to be obtained from London and spent on the New Zealand forces overseas. The budget also provides for increased payments in respect of social security, allowances to war veterans, and family benefits.

Examination of the position at December 31 shows that revenue is well up to estimates, although expenditure for war purposes has more than doubled as compared with the corresponding period of 1940. Investment in the national savings scheme, introduced in October, 1940, totalled approximately £4,000,000 up to December 31 last. This scheme takes the form of post-office savings accounts, which may be opened for as little as a shilling.

Under powers conferred by a new Finance Bill in August, 1941, which provided for borrowing up to the amount of £80,000,000 for war purposes, thus cancelling the former bill which limited borrowing for this purpose to £40,000,000, the Government floated a loan by public subscription for £10,000,000. This loan, which was oversubscribed by £220,620 at the closing date (September 4) comprised amounts of £3,356,130 maturing in 1946 at 2½ per cent and £6,864,490 maturing in 1951-54 at 3 per cent.

At the close of the year net overseas assets totalled £25,275,000 as compared with £23,405,000 at the end of December, 1940.



## SOCIAL SECURITY LEGISLATION

The outstanding legislation of the year was the passing of the Social Security Amendment Bill, which provided for the establishment of a general medical practitioner service. The service came into operation on November 1 after drastic amendments to the original bill. This service has been promised since the present Government took office in 1938, taxes having been collected for the purpose since April, 1939.

Except where medical services require special skill, or the administration of anaesthetics, or maternity treatment, the public now receive free services from general practitioners. For every visit paid or received, the practitioner is entitled to receive 7s. 6d. from the Social Security Fund. Where a visit entails travelling beyond the borough or prescribed area of his work, expenses are collected by the practitioner on a mileage basis. There are, of course, many provisions in the bill to prevent or correct abuses by patients and doctors. An important provision, and one which was insisted upon by the doctors, is that patients may pay medical fees if they wish. They can then recover the fees at the stated rate from the Social Security Fund.

Shortly before the introduction of the medical service, full pharmaceutical service was provided whereby doctors' prescriptions are dispensed free of charge. The chemist claiming the charge from the Social Security Fund. The charge for any prescriptions or drugs, etc., supplied by the doctor himself is also recoverable.

## EMERGENCY MEASURES

Effective September 1, 1941, prices of 38 essential commodities were stabilized. In general the commodities affected are essential foodstuffs, standard articles of clothing and footwear, public services, fuel and light. In most instances the prices are controlled by government subsidies.

For several months before Japan declared war extensive Emergency Precaution Schemes were partially in force in varying degree throughout the country, involving blackouts of lights facing the sea, training in fire and bomb protection, first aid, etc. Since December 7 these schemes have operated to the fullest extent. In addition there has been a substantial further call-up of men and women for the home defence services. Of note is the active interest now taken in the Fiji Islands as an outpost of New Zealand.

To conserve the labour most immediately and substantially connected with urgent war production and necessary civilian needs, several industries were added to the list of "essential industries" during 1941. Men and women engaged in these industries are exempt from military service and may not terminate their engagements without the prior consent in writing of the district manpower office. The industries covered by the list in 1941 were: butter and cheese factories; coal mining; linen flax mills; timber milling; electric power production and supply; manufacture and supply of coal gas; public and private hospitals in respect of tradesmen permanently employed as cooks and kitchen hands, domestics and laundry workers, and porters. Early in 1942 it is proposed to add many other industries to the list.

## GASOLINE RATIONING

Throughout the year gasoline for all purposes was rationed in accordance with the use for which it was required. For ordinary purposes cars up to 8 h.p. were allowed on an average 5 gallons per month; those between 8 and 14 h.p. were allotted 7 gallons; and for those above 14 h.p. the amount was fixed at 10 gallons. Gasoline for business, industry and other essential purposes was strictly controlled, but sufficient supplies were licensed to prevent any serious hardship. On December 15, owing to the situation created by the entry of Japan into the war and the consequent menace to communications, all sales of petrol for private use were prohibited. This caused a heavy drop in car sales,

and distributors, second-hand dealers, and garage-keepers were seriously affected, many of the smaller ones being forced out of business. The supply position is still a matter of concern, but some relaxation of the control regulations has been made.

### PROSPECTS

Faced with a new and powerful enemy in the Pacific, New Zealand's export trade in primary products, the chief factor in her economic life, is more gravely threatened than ever. The continued supply of raw materials for secondary industry is also menaced. If communications are maintained with Great Britain and America on a level approaching that for 1941, however, New Zealand should come through 1942 fairly well. Given normal conditions, the production of cheese and wool should reach greater values than ever, and Great Britain will take all that shipping space can be found for. Butter and meat producers will suffer but, under the terms of the recent produce agreement with the United Kingdom, provision has been made, both financially and in the way of storage space, for taking care of surpluses.

A serious problem to be faced is the drain on civilian manpower by the further call-up for home and overseas service. This not only depletes the ranks of labour but those who join the services cease to be taxpayers and contributors to the national funds. The situation is being met in part by the substitution of women, but the main problem remains and seems capable of solution only by the acceptance by all of a lower standard of living and an extension of hours of work to keep production up to the required levels.

## ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### II. Grain-growing Industry

The unit of pastoral and agricultural land ownership in Argentina is the "estancia", frequently referred to abroad as a ranch. The term "ranch" conveys the idea of a large expanse of pasture land, usually supporting a small number of live stock in proportion to its area and being unsuited for agriculture or intensive farming; the estancia refers to holdings which also include the most fertile alfalfa and agricultural land in Argentina. Estancia ownership may be compared in many ways to ownership of country estates in the United Kingdom. The social prestige which attaches to estancia ownership must be given consideration in assessing its importance in the economy of Argentina.

A typical Argentine estancia operated as a single unit may cover 10,000 to 15,000 acres. The areas of some range from 4,000 to 5,000 acres, but others are well over 15,000 acres in extent. Many land-owners operate more than one estancia, in some cases ten or fifteen, each of which may comprise 10,000 to 15,000 acres, and several have much larger holdings.

The succession laws of Argentina require that property be divided among the heirs on the death of the owner. Eventually this may have the effect of gradually breaking up the large land holdings. According to the usual practice, the heirs operate their separate holdings as a single unit. The National Mortgage Bank holds the majority of the land mortgages, and there are foreclosures from time to time. In actual practice, however, there is still no evidence of a trend towards farm-land ownership in small units on an owner-operator basis. As a rule the tenant farmer has neither the necessary funds nor the credit facilities to enable him to buy land for himself, even when it is offered for sale in small units. Buyers are generally large corporations in Buenos Aires who purchase large areas of land as a financial investment and operate them through managers and supervisors, or they may be individuals in Buenos Aires with private means.



The house occupied by the owner of an estancia is the centre of a small and largely self-contained village comprising the homes of the estancia manager, his assistant or assistants and the workmen employed on the place. The estancia is operated primarily as a live-stock producing unit, but the majority of them produce one or more commercial grain crops—wheat, corn, flaxseed, barley, oats, rye, sunflower, etc.—depending on the particular zone in which the estancia is located. If it is in the heart of the rich corn zone it may be largely in corn, little if any land being devoted to pasture. In other zones wheat or flaxseed, or both, will be the principal grain crops. However, irrespective of the zone, the chief concern of the owner is the production of live stock. He leaves the production of grain to his manager, who allots the cultivated land to tenant farmers. The general practice in recent years is to rent the land to the tenants on shares rather than on a cash basis.

#### TENANT OCCUPATION

The tenant grain farmer is given a short-term lease. He owns his own horses and reserves probably 20 per cent of the land to pasture them. He seldom operates a tractor, as horses are cheap and feeding costs are low. There was a trend toward the use of tractors, but this was reversed in the crisis period of the 30's. He owns his cultivating implements and a combine harvester, two-thirds of all farm implement sales being to tenant farmers. He may or may not have his own motor truck. The tenant farmer is generally an Italian-Argentine or an immigrant from another southern European country or a son of such an immigrant, and he may cultivate 250 to 500 acres or more, depending on the zone. The number of tenants on an estancia depends, of course, on the size of the estancia and on the zone in which it is located. The tenant buys what he requires from and sells his grain to the local village merchant. To cover the rent, the estancia manager collects the owner's share of the tenant's grain as it comes from the combine.

While the estancia-owner is interested in grain production because his estancia is sown to grain crops and in proportion to the share of the crops he receives in the form of rent, the tenant's livelihood and his ability to meet the instalments due on his implement purchases depends on his yields and the price that he receives for his product. The estancia-owner has either a large income from other sources, so that the price of grain is of relatively small importance to him, or he has a small income, due to lack of interest in his property. In any case he does not in practice use the influence which he undoubtedly possesses to obtain better prices for his grain.

#### CONTROL OF THE INDUSTRY

The Argentine grain trade was formerly dominated to a considerable extent by two well-known international grain firms. Their organizations and influence were, on the one hand, spread over the grain-producing zones through their branches or through the country merchants to the producers and, on the other, to the millers abroad. There was little government intervention until the guaranteed minimum price policy was introduced in the 30's. Later the Argentine Grain and Elevators Boards were set up, with functions similar to those of the Canadian Board of Grain Commissioners. The two international grain firms have been investing heavily in agricultural land and industrial enterprises during the past decade. A large part of Argentina's grain is still bagged, although bulk movement has been increasing in recent years. An average of around \$15 million is expended annually on jute for bags from India. Experiments are now being conducted with cotton.

The Argentine Government has taken the grain business almost completely under its control. It purchases all supplies from the producer at fixed minimum prices, the grain futures market being closed. Only grain purchased from the

Government may be used by domestic flour-millers or exported. The Government also exports a considerable part of the grain under contracts negotiated with the Governments in consuming countries. There has been no official intervention tending towards a reduction in the acreage sown to grain.

Because Argentina is a comparatively low-cost producer, it has always tended to be a free seller of grain. Grain is produced to sell as such and not for feed. Storage space is not adequate for carrying large surpluses in marketable condition for any long period in this mild climate. Owing to the current shipping situation, Argentina now has large unsalable surpluses, the financing of which presents a problem.

Until the stocks are finally liquidated, it will be impossible to estimate with any degree of accuracy the cost to the Argentine Government of financing these grain surpluses, although it will not be as high as many expected. There is little that can be done about the corn surplus. Based on the average production of 400 million bushels for each of the three current wartime crops, the Government must expect to lose an average of around \$50 million annually for the duration of the war. This is slightly in excess of 12 cents a bushel on a crop that is largely unsalable except as fuel, although, due to its low price, some corn is being fed to live stock. The Government's annual profit from the control of foreign exchange exceeds this annual loss on corn by a considerable margin, and this profit was originally intended to meet just such losses to agriculture. The low guaranteed price to producers and the fact that the unsalable corn is left unshelled to rot on the farms is keeping down the cost to the Government. The guaranteed price of wheat and flaxseed is also low. The domestic millers pay one-third more than the guaranteed price for their wheat. The Government is currently exporting flaxseed at almost double the guaranteed price to producers. This profit and the milling tax on wheat are applied against previous losses on grain. The final losses on wheat and flaxseed will probably not be heavy considering all the circumstances.

## SEED POTATO SITUATION IN ARGENTINA

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

(One Argentine peso equals approximately 33 cents Canadian at the official rate of exchange; one kilo equals 2.2 pounds.)

Buenos Aires, April 22, 1942.—According to the official statistics published by the Argentine Department of Agriculture, the area planted to potatoes during the 1941-42 season amounted to 587,500 acres as compared with 604,500 acres in 1940-41, 520,000 acres in 1939-40 and the five-year average of 416,240 acres. The decline in acreage from last year is largely due to smaller scale plantings in the Province of Santa Fé (Rosario zone), where drought prevented operations on a normal scale. The high cost of seed is also cited as an influencing factor. The increase in the later planting in the Balcarce zone partly compensated for the reduction in the Rosario zone.

### 1941-42 CROP

The first official potato crop estimate published by the Department of Agriculture on April 17, places the 1941-42 crop of table potatoes at 51,436,000 bushels. This would be a record production for Argentina, due more to the larger acreage planted as compared with that for former years than to a high yield per acre.

While the growing conditions have not been considered good, due to lack of adequate rainfall and to record high temperatures throughout the Republic, on the other hand there has been no outbreak of late blight or other diseases, or serious damage by insects, resulting in a low yield for the larger zones. If growing conditions had been more favourable, Argentina would have an enormous



production of potatoes this season. The following table shows production by provinces for the seasons 1937-38 to 1941-42 inclusive:—

*Production of Potatoes by Provinces*

	1937-38	1938-39	1939-40	1940-41	1941-42*
			Figures in Bushels		
Buenos Aires (Balarce zone) . . . . .	21,713,744	15,357,732	16,496,260	15,908,260	20,207,000
Santa Fé (Rosario zone) . . . . .	6,747,889	9,056,410	16,275,820	10,287,200	18,370,000
Mendoza . . . . .	3,998,451	3,332,318	5,547,740}		
San Juan . . . . .	494,300	451,902	477,620}	7,311,260	6,245,800
Rio Negro . . . . .	N.C.	1,859,044	1,579,820	955,240	2,057,440
Salta and Jujuy . . . . .	513,331	602,536	1,322,640	3,012,680	3,196,380
Others . . . . .	1,508,250	529,056	955,240	1,212,420	1,359,380
Total . . . . .	34,975,965	31,188,998	42,655,140	38,687,000	51,436,000

\* Estimated.

The following table shows the amounts of potatoes available for consumption in Argentina in each of recent years:—

	Production	Imports of Table Stock	Exports of Table and Seed	Amount Available	Imports of Seed
1941-42 . . . . .	51,436,000*	.....	.....	.....	143,372
1940-41 . . . . .	38,687,220	.....	1,581,793	37,105,427	422,436
1939-40 . . . . .	39,359,250	.....	1,291,228	38,068,022	1,265,355
1938-39 . . . . .	31,197,075	656,061	168,630	31,684,506	646,543
1937-38 . . . . .	34,976,480	1,029,074	282,604	35,722,950	1,756,979
1936-37 . . . . .	8,075,636	7,513,133	109,596	15,479,173	322,027
1935-36 . . . . .	18,967,833	4,557,698	116,975	23,408,556	1,323
1934-35 . . . . .	28,501,836	23,005	1,266,405	27,258,436	.....
1930-31 . . . . .	45,978,587	17,970	1,591,569	44,404,988	.....

\* First official crop estimate April 17, 1942.

IMPORTS

The general condition of Canadian seed on arrival in Buenos Aires last season was considered very good, although not up to the high standard of former years, a small percentage being affected by late blight and soft rot. Some lots were regraded at the local potato market, but the average percentage for the total shipments was low, and the loss from breakdown was not serious. It was noted also that in two shipments of White Rose from the United States that there was some loss due to late blight and soft rot.

During the nineteen years prior to 1935 only 2,797,830 bushels of all potatoes were brought into Argentina, whereas in 1936 some 4,783,800 bushels were imported. In late 1935 a decree came into effect that all potatoes imported for seed must be certified, and in that year the arrivals totalled only 1,323 bushels. Due to rapidly declining yields from 1934 onward and a virtual crop failure in 1936-37, the Ministry of Agriculture voted in 1936 approximately \$400,000 for the purchase of seed abroad, and in the following year the trade imported 1,756,979 bushels, of which Canada supplied 881,282 bushels.

The following table shows the imports by countries of table stock for the years 1935 to 1939 inclusive; there were no imports of this type in 1940 or 1941:—

*Argentine Imports of Table Potatoes*

	1935 Bus.	1936 Bus.	1937 Bus.	1938 Bus.	1939 Bus.
Holland . . . . .	16,092	2,648,293	4,654,003	609,076	614,660
Belgium . . . . .	.....	583,541	370,156	6,393	.....
Chile . . . . .	.....	435,112	131,823	18,664	11,426
Hungary . . . . .	.....	237,598	95,855	.....	.....
Germany . . . . .	37	184	34,866	.....	.....
Denmark . . . . .	.....	80,644	443,929	230,507	.....
Brazil . . . . .	.....	1,396	21,272	.....	.....
Canada . . . . .	37	220	8,267	.....	.....
Spain . . . . .	.....	441	5,144	.....	1,947

	1935 Bus.	1936 Bus.	1937 Bus.	1938 Bus.	1939 Bus.
United States . . . . .	294	551	167,387	13,079	.....
Estonia . . . . .	.....	7,826	46,403	.....	.....
France . . . . .	.....	2,756	94,679	9,442	.....
United Kingdom . . . . .	919	44,639	523,618	29,392	36,079
Italy . . . . .	.....	478	88,690	.....	.....
New Zealand . . . . .	.....	105,664	525,786	136,416	.....
Poland . . . . .	.....	88,984	11,536	.....	.....
Sweden . . . . .	.....	.....	367	.....	.....
Uruguay . . . . .	3,894	221,542	.....	.....	.....
Yugoslavia . . . . .	.....	1,359	1,286	.....	.....
Austria . . . . .	.....	551	12,381	.....	.....
Ireland . . . . .	.....	.....	214,745	14,211	.....
Iceland . . . . .	.....	.....	70,908	.....	.....
Canary Islands . . . . .	.....	.....	5,107	.....	.....
Malta . . . . .	.....	.....	1,727	.....	.....
Portugal . . . . .	.....	.....	76,823	.....	.....
South Africa . . . . .	.....	.....	163,970	.....	.....
Colombia . . . . .	.....	.....	.....	.....	331
Total . . . . .	21,273	4,461,779	7,770,728	1,067,187	664,443

The following table shows imports into Argentina of seed potatoes in the marketing years (September to March) 1935-36 to 1941-42 inclusive:—

*Argentine Imports of Seed Potatoes*

	1935-36 Bus.	1936-37 Bus.	1937-38 Bus.	1938-39 Bus.	1939-40 Bus.	1940-41 Bus.	1941-42 Bus.
Canada . . . . .	735	133,183	881,282	264,932	568,992	294,985	119,192
Denmark . . . . .	.....	68,189	568,662	279,812	268,863	.....	.....
Estonia . . . . .	.....	48,240	97,655	21,456	12,565	.....	.....
Poland . . . . .	.....	8,267	87,845	.....	.....	.....	.....
Germany . . . . .	37	6,613	34,499	2,021	.....	.....	.....
United States . . . . .	.....	43,647	28,878	39,349	186,345	127,451	24,180
Holland . . . . .	.....	13,631	21,860	31,376	171,466	.....	.....
Austria . . . . .	.....	.....	25,424	.....	.....	.....	.....
Lithuania . . . . .	.....	.....	3,490	.....	.....	.....	.....
Ireland . . . . .	.....	.....	4,960	1,212	10,471	.....	.....
Czechoslovakia . . . . .	.....	.....	1,139	.....	.....	.....	.....
United Kingdom . . . . .	551	73	514	.....	.....	.....	372
Yugoslavia . . . . .	.....	.....	367	.....	.....	.....	.....
Sweden . . . . .	.....	184	37	.....	.....	.....	.....
Hungary . . . . .	.....	.....	367	.....	.....	.....	.....
Chile . . . . .	.....	.....	.....	.....	2,021	.....	.....
Letonia . . . . .	.....	.....	.....	7,385	54,632	.....	.....
Total . . . . .	1,323	322,027	1,756,979	646,543	1,265,355	422,436	143,754
Per cent from Canada . .	55.5	41.3	50.0	41.0	44.9	70.0	81.1

The following table shows Argentine exports of table potatoes for the years 1937 to 1941 inclusive:—

*Argentine Exports of Table Potatoes*

	1937	1938	1939	1940	1941
British West Indies . . . . .	.....	10,765	.....	.....	441
Brazil . . . . .	.....	8,156	4,409	212,137	115,290
Bolivia . . . . .	.....	.....	.....	34,058	7,862
Paraguay . . . . .	28,474	49,819	50,664	72,304	50,150
Uruguay . . . . .	73,480	63,193	37	721,243	1,188,943
Dutch West Indies . . . . .	.....	.....	.....	32,148	.....
Venezuela . . . . .	.....	.....	.....	551	.....
Chile . . . . .	.....	42,655	.....	.....	.....
Total . . . . .	101,954	174,588	55,110	1,072,441	1,362,686

VARIETIES FAVOURED IN ARGENTINA

The Katahdin continues to be the popular variety among the growers and trade in Argentina. Owing to its resistance to certain viruses and to its adaptability to the varied climatic and soil conditions in the chief potato zones—



Balcarce, Rosario and Mendoza—the Katahdin is very popular among the growers in these districts. In the Balcarce zone, the largest potato area both for seed and table stock, this variety gives favourable yields up to the third or fourth generation. Further, according to some growers in Mendoza, first-generation Canadian seed (the first crop from imported seed) grown in Balcarce gives better results in the Mendoza zone than the first generation of Canadian seed from the seed grown in Mendoza.

Another factor that has increased the popularity of the Katahdin is the local preference for a table potato with a lower starch content than that of the Green Mountain and one that does not "break up" in cooking. In the national dish "puchero", which resembles Irish stew, the ingredients are cooked together. The Katahdin is preferable for this dish, since it does not break up in cooking, whereas "dry" potatoes, as generally exemplified in the Green Mountain, have not this preferred quality.

The Green Mountain variety really lost its place in Argentina after the outbreak in this country in 1938 of the new potato disease locally referred to as "chocolate". Although this disease was found in all varieties from all countries, the Katahdin appeared to be less severely infected. Due to the fear of the recurrence of this disease and also to the preference already referred to for this variety as against the Green Mountain, growers preferred to plant Katahdin.

#### SEBAGO

A trial shipment of 150 crates of the Sebago variety was made from Canada last season. This stock arrived in excellent condition and it was very favourably received on the local potato market. Since there was practically no late blight in Balcarce zone this season, it could not be determined whether this variety would show any resistance to this disease under Argentine conditions. It was noted, however, that the percentage of leaf-roll was comparatively high, and the opinions of growers, based on the showing in the field this year, were not entirely favourable. None of this variety passed field inspections for certification, although the progeny will in all probability be carried through to another season.

#### WHITE ROSE

The demand for White Rose seed was proportionately smaller this year. Argentina imported 13,000 crates for the 1941-42 season as compared with 59,858 crates last year. White Rose seed, which has been obtained in the United States, is planted in Balcarce zone to supply seed stock to those areas where a preference is shown for this variety. It gives better results in the Salta-Jujuy zone, in the northern part of the Republic, where the temperatures are higher, than in the other potato zones.

#### EUROPEAN VARIETIES

Most of the European potatoes, of which some 20 different varieties were imported, have been discarded in favour of the Katahdin. As a result of the war, further supplies were cut off except for 200 crates from the United Kingdom made up of the following varieties: Great Scott, Kerr's Pink, Majestic and Up-to-Date. These were delayed in shipment and were planted late in the Balcarce zone.

#### ARGENTINE SEED POTATO CERTIFICATION

The Argentine Seed Potato Certification Service was established in 1935 under the Division of Vegetable Sanitation of the Ministry of Agriculture. The production of certified seed potatoes in Argentina is confined to areas in zones where the Ministry of Agriculture have established boundaries for areas

considered suitable for such production. It is the policy of the Government to inspect and certify fields of the larger growers in these defined areas. All imported certified seed is eligible for certification as is also the reproduction of these stocks, which may extend to the fifth generation from the imported seed, provided they are planted in the prescribed zones. Other stocks may be certified after passing field and tuber inspections for two consecutive years. The first and most important is the southeastern portion of the Province of Buenos Aires (Balcarce zone) between Mar del Plata and Balcarce. This is also the leading table-stock production zone. The soil is rich in organic matter, and the land used for potatoes has been in pasture for upwards of eight years; usually an eight- to twelve-year rotation is followed. The use of commercial fertilizers is not necessary nor is it the practice to use them in this area or in other zones. The chief factor limiting production in this area is the amount of rainfall during the growing season, from December to March. A total of 12,255 acres of seed passed field inspections in this zone this season.

The other areas are the La Carrera and Tupungato valleys in the foothills of the Andes in Mendoza zone, where 247 acres passed field inspections this season. This zone is irrigated and is well isolated, as is desirable for seed-potato production; however, the limiting factor in this area is the high temperatures during the growing season, from November to February, masking virus disease symptoms in seed stock and also accounting for the low yields in table stock during the current season.

The following table shows the results of field inspections and the amounts tagged as certified seed since the inception of the service in 1935-36:—

### Results of Argentine Field Inspection.

	Entered Acres	Passed Acres	Rejected Acres	Tagged Bushels
1935-36 .....	2,277	1,427	1,023	*
1936-37 .....	1,672	627	1,045	*
1937-38 .....	14,944	9,752	5,192	384,704
1938-39 .....	7,986	2,757	5,229	238,709
1939-40 .....	14,240	9,369	5,039	604,536
1940-41 .....	13,106	11,905	1,201	611,720
1941-42 .....	13,350	12,352	998	.....

\* Figures not available.

It is estimated by the Certification Service that the 12,352 acres of seed potatoes passed this year will yield 2,041,200 bushels of certified seed as compared with 1,508,760 bushels for 1940-41.

## FIELD INSPECTIONS IN 1941-42

Argentina has 21 $\frac{1}{4}$  acres of foundation seed stock planted in tuber units in Balcarce zone this season made up as follows: Katahdin, 2 $\frac{1}{2}$  acres 1st generation, 1 $\frac{1}{4}$  acres 2nd generation, 7 $\frac{1}{2}$  acres 3rd generation; Duke of Kent, 6 $\frac{1}{4}$  acres 4th generation; and White Rose, 2 $\frac{1}{2}$  acres 1st generation and 1 $\frac{1}{4}$  acres 2nd generation.

The following table shows the results of inspection in the Balcarce zone in 1941-42:—

*Argentine Field Inspection in 1941-42 in Balcarce Zone*

[illegible]



In the Mendoza zone a total of 247 acres of Katahdins passed inspection as follows: 162 acres 1st generation, 62 acres 2nd generation, 20 acres 3rd generation, and 3 acres 4th generation. A total of 52 acres was rejected.

The yields of the first-generation certified seed as compared with those of the second and third generations for the 1940-41 season are noteworthy as shown in the following table prepared by the Argentine Seed Potato Certification Service:—

*Certified Seed Yields in 1940-41*

	1st Generation	2nd Generation	3rd Generation	Average Production
		Bushels	per Acre	
Katahdin . . . . .	128.31	171.30	214.00	148.92
White Rose . . . . .	118.85	118.45	118.05	118.64
Green Mountain . . . . .	154.07	46.54	26.31	95.33

EXPORTS

Exports of Argentine certified seed potatoes are shown in the following table.

*Argentine Exports of Seed Potatoes*

	1937 Bus.	1938 Bus.	1939 Bus.	1940 Bus.	1941 Bus.
Brazil . . . . .	.....	661	698	1,102	16,166
Bolivia . . . . .	.....	.....	.....	17,378	37
Paraguay . . . . .	221	221	367	6,430	367
Uruguay . . . . .	7,421	107,134	112,461	193,877	202,437
Total . . . . .	7,642	108,016	113,526	218,787	219,007

GENERAL OUTLOOK

The demand from other zones for Canadian seed multiplied in Balcarce zone, is apparently increasing each year. Growers in Mendoza zone require their seed for planting in September or early October, and Canadian seed does not arrive in Argentina until late October and November. This is considered too late for planting in the Tupungato and La Carrera districts, where early frosts are a danger. Further, some growers in Mendoza express the opinion that they obtain higher yields from their first-generation Balcarce seed than they do from replanting their first-generation imported Canadian seed that has been grown in Mendoza zone.

In Balcarce zone table-stock potatoes and seed planted from first- or second-generation stock with a view to certification are usually sown two to four weeks before the imported seed. Therefore a comparison on the same basis is difficult, since the amount of rainfall and the temperatures are sharply reflected in the fields planted at different dates. However, in normal years comparatively favourable yields are obtained from first- and second-generation seed, particularly of the Katahdin variety. In several instances in this zone there is little difference between the yield from imported seed and that from first-generation seed, the latter being offered to the growers in other zones at prices at least a dollar per hundredweight less than the cost of imported seed. In some years, as in 1941-42 for example, the cost of imported seed to the small grower in Mendoza zone is as high as 32 pesos (\$8.50 Canadian) per crate.

With the apparently increasing local demand for Argentine first- and second-generation seed, not necessarily certified, and an outlet in Uruguay for approximately 200,000 bushels of Argentine certified seed for the July planting, there is no reason why Argentina should import new stock to meet all her seed requirements except in a year of domestic crop failure. Owing to the long distances between the potato zones, a general potato crop failure is unlikely, since, as a result of the importation of certified seed from abroad, the quality of the potatoes has

improved in all zones, which are dependent largely on climatic conditions for favourable yields. The National Government have organized their Certification Service to prevent the recurrence of a potato crop failure due to degenerated seed, taking the long view that Argentina can produce all her own seed requirements each year. Further, this year plans are under consideration for potato breeding with a view to producing a variety more suitable to Argentine drought conditions than is now available. Under current conditions Canada at best can only supply the quantities of seed necessary for use as foundation stock for Argentine potato production. The amount supplied in any given year will largely depend on the returns that the growers receive for their seed and table-stock potatoes, prices in September-October, and their prospects for sales in the next season.

A limiting factor in Argentina's effort to continue to obtain seed supplies from domestic crops is storage from April to September. Potatoes are stored outside in pits covered with corn or some other material such as grass. The period of dormancy of the tubers is shortened in proportion to the generation of the seed grown in Argentina. The first-generation seed does not sprout excessively before planting time, whereas with third- and fourth-generation seed the tubers lose much of their vitality, due to excessive sprouting.

#### SALES PROSPECTS FOR CANADIAN SEED IN 1942

Argentina has approximately 4,000 acres of potatoes planted from imported Canadian seed this year, the estimated yield from which is some 650,000 bushels. A large part of this area will be available for planting next season as compared with 8,800 acres last year.

As mentioned previously, the indications at present are that Argentina will have a record production of table potatoes this year, estimated by the Ministry of Agriculture at 51,436,000 bushels as compared with 38,687,220 bushels last year. A large portion of this production is practically assured, as harvesting is well under way in Balcarce zone and has been completed in Mendoza. The Rio Negro district has a record production which is also harvested. Argentina should have, therefore, more than ample table stock to meet her own requirements and probably a small surplus for export, except possibly in December should some of the later crops not be so good as estimated.

The current level of table-stock prices continues fairly low, quotations in the local market ranging from 4.50 to 6 pesos per 60-kilo sack, and these are more likely to be lower than higher during the next three or four months. On this basis there is nothing to indicate that the demand for imported seed this fall will be much different from that of last year. This, however, may be modified by the prices of imported seed and of local table stock, and the shipping situation during the coming season.

#### SUPPLIES FOR URUGUAY

Indications are that Uruguay will harvest a poor potato crop from her January, or summer, planting, and will have to import table potatoes again this year from July to October. This planting in Uruguay in any year is considered risky, due to summer temperatures. The lack of adequate rainfall at planting time and record high temperatures throughout the past growing season have materially reduced the yield, particularly from fields planted with cut seed. Some growers have suffered a complete loss, attributed to the cut sets rotting from lack of moisture, while the fields of others show a high percentage of misses as compared with areas planted with whole seed.

Last year Canada supplied all of Uruguay's imported seed requirements—except 60 crates for experimental purposes—for the January planting, amounting to 124,181 bushels. Uruguay will be in the market again this year for certified



seed potatoes. The demand will be for the Katahdin variety and, as a result of previous experience, which is considerably modified this season, growers in Uruguay will make an effort to obtain, through their official seed service, a larger percentage of small-size seed. They may even prefer to have the entire amount purchased in this grade.

The demand for imported seed in Uruguay this year should be about the same as last year, but it may be modified by the prices of imported seed next season, the shipping situation, and the quantities of small-size seed available.

## ESTIMATED PRODUCTION OF SUNFLOWER SEED IN ARGENTINA

Mr. J. A. Strong, Canadian Commercial Attaché at Buenos Aires, writes under date April 28 that, according to the first estimate of the Department of Agriculture of the Argentine Republic, the production of sunflower seed will be 737,000 short tons for the 1941-42 season, an increase of 324,500 tons, or 78.7 per cent, over the 1940-41 figure and of 446,722 tons, or 153.9 per cent, over the average for the last five years.

## FISH MARKETS IN CUBA<sup>1</sup>

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### III. Fish in Cans and Similar Containers—*Con.*

#### SALMON

In practically all countries in which the purchasing power of the people is on a moderate scale, canned salmon is a fairly important item in the fish import trade. However, such is not the case in Cuba. This situation is due to the high level of customs duties assessed upon all canned fish products, this favourite fish food being no exception. The following table shows the meagre quantities of this commodity that were imported during the years 1933 to 1941 inclusive:—

#### *Cuban Imports of Canned Salmon*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . . Kg.	18,714	32,243	18,738	17,140	51,229	58,659	17,878	14,986	24,842
United States* . . . \$	2,199	4,370	3,431	3,503	7,650	9,796	3,692	4,494	8,312
Japan . . . . . Kg.	4,101	5,306	5,046	.....	.....	.....	28	274	605
Japan . . . . . \$	370	872	611	.....	.....	.....	40	101	206
United Kingdom . . Kg.	.....	2	4	.....	.....	.....	17	.....	.....
United Kingdom . . \$	.....	1	3	.....	.....	.....	9	.....	.....
Switzerland . . . . Kg.	.....	.....	.....	.....	.....	.....	.....	.....	20
Switzerland . . . . \$	.....	.....	.....	.....	.....	.....	.....	.....	20
Denmark . . . . . Kg.	.....	.....	.....	.....	59	.....	.....	.....	.....
Denmark . . . . . \$	.....	.....	.....	.....	41	.....	.....	.....	.....
Canada . . . . . Kg.	.....	.....	268	.....	.....	.....	.....	.....	.....
Canada . . . . . \$	.....	.....	48	.....	.....	.....	.....	.....	.....
France . . . . . Kg.	.....	.....	.....	.....	.....	47	.....	3	.....
France . . . . . \$	.....	.....	.....	.....	.....	20	.....	3	.....
Sweden . . . . . Kg.	.....	.....	.....	.....	5	.....	.....	.....	.....
Sweden . . . . . \$	.....	.....	.....	.....	12	.....	.....	.....	.....
Spain . . . . . Kg.	788	.....	296	.....	.....	.....	.....	.....	.....
Spain . . . . . \$	113	.....	64	.....	.....	.....	.....	.....	.....
Russia . . . . . Kg.	81	.....	.....	.....	.....	.....	.....	.....	.....
Russia . . . . . \$	13	.....	.....	.....	.....	.....	.....	.....	.....
Total weight . . . Kg.	23,684	37,551	24,352	17,140	51,288	58,711	17,923	15,263	25,467
Total value . . . \$	2,695	5,243	4,157	3,503	7,691	9,828	3,741	4,598	8,542

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The trade in salmon is a monopoly of the United States, made possible by a preferential discount from the rates of the general tariff of 35 per cent up to

<sup>1</sup> This concludes Mr. Bissett's report on the market for fish in Cuba, other sections of which were published in consecutive issues of the *Commercial Intelligence Journal* beginning with No. 1995 (April 25, 1942).

the end of 1939 and of more than 80 per cent from that time onward. Neither Canada nor Japan, the principal competitors of the United States in the canned salmon trade, has ever been able to make any headway against the latter country in this product. Even Japan's cheap labour costs have never made effective competition possible, and Canadian packers at no time have had the slightest chance of breaking into this market. The 35 per cent tariff preference accorded the United States has always made Canadian competition impossible, and, now that this preference is in excess of 80 per cent, any attempt to sell Canadian salmon in this country would be a sheer waste of effort, time and money.

Because of the high rates of duty levied upon salmon, it has always fallen within the luxury class of fish products, even in spite of the substantial preference to the United States up to 1939. The greatly increased preference to that country from that date onward is still insufficient to make salmon a widely consumed foodstuff in this country. However, there was little opportunity during 1940 and 1941 to demonstrate that a reduced landed cost under this high preferential rate would increase consumption, due to the fact that salmon prices generally in these two years were considerably higher than they had been during the previous decade. Classed as a strategic foodstuff, very large quantities of the total Canadian and United States pack have gone to Great Britain and to many of the armed forces of the United Nations throughout the world. For this reason the imports of salmon into Cuba in the past two years have not greatly increased, although when greater supplies become available there is every prospect that this trade will become more important than it has ever been before.

The customs duties and other charges on this type of fish are as follows, per kilogram gross: maximum tariff, \$0.40; general tariff, \$0.20; rate to the United States up to December 18, 1939, \$0.13, and from that date forward, \$0.039; weight reduction for tare when in cases and all other containers, 15 per cent; Public Works tax, nil; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to imports from all countries except the United States.

OYSTERS

The trade in canned oysters has always been extremely small and during the past five or six years has been of little or no importance. The following table shows imports during the period 1933 to 1941 inclusive:—

Cuban Imports of Canned Oysters

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . .Kg.	1,569	.....	10,038	1,933	411	75	131	1,404	19
\$	177	.....	1,041	477	179	27	39	408	5
United States*.. . .Kg.	.....	.....	.....	.....	.....	.....	10	.....	.....
\$	.....	.....	.....	.....	.....	.....	101	.....	.....
Spain . . . . .Kg.	2,530	245	3,569	.....	.....	.....	.....	.....	.....
\$	245	85	811	.....	.....	.....	.....	.....	.....
Total weight . . .Kg.	4,099	245	13,607	1,933	411	75	141	1,404	19
Total value . . . \$	422	85	1,852	477	179	27	140	408	5

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

In recent years the United States has supplied the whole of the meagre quantities brought into this country. Because of the excellent shipping facilities between the United States and Cuba in normal times, the trade in fresh oysters is unlikely to permit of any noteworthy expansion in the canned oyster trade. In addition, the production of fresh Cuban oysters, which are of fairly good quality and are plentiful during the season, tends to restrict to negligible quantities the imports of the canned variety.

The customs duties and other charges on this item are as follows, per kilogram gross: maximum tariff, \$0.24 and 40 per cent ad valorem; general tariff,



\$0.12 and 20 per cent ad valorem; rate to the United States, \$0.084 and 14 per cent ad valorem; weight reduction for tare when in cases and all other containers, 15 per cent; Public Works tax, 10 per cent of the duty; a general surcharge of 20 per cent of all duties, surtaxes and other import charges is applicable to imports from all countries except the United States.

### OTHER FISH, N.E.E.

Under this classification are included all those types of canned fish, but neither shellfish nor bi-valves, which have not been separately classified in the trade figures. The sources of supply for these many miscellaneous types are diverse, practically all of the main fish-canning countries of the world being represented in the statistics, although the amount from each one, Spain and the United States excepted, is usually small and of little importance. The following table shows the import figures for the period 1933 to 1941 inclusive:—

#### *Cuban Imports of Other Canned Fish*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . .Kg.	12,186	95,566	220,433	134,031	66,986	124,688	94,886	13,016	3,477
United States* . . .Kg.	\$ 1,169	10,990	23,469	14,313	8,435	17,216	11,281	2,975	1,813
Spain . . . . .Kg.							109	7	69
United Kingdom . . .Kg.	\$ 3,276	8,628	30,119	25,036	19,004	25,295	2,437	17,141	26,420
Norway . . . . .Kg.	\$ 376	2,788	6,765	3,747	5,650	5,156	590	5,472	6,749
France . . . . .Kg.	\$ 129	57	83	132	241	21	4,238	149	58
China . . . . .Kg.	\$ 29	41	28	47	75	5	493	50	26
Japan . . . . .Kg.		544	680	30	37	527	365		
Hongkong . . . . .Kg.		\$ 88	75	5	3	142	71		
Mexico . . . . .Kg.			13	68		66	1,236	29	
Other countries . . .Kg.			8	63		32	483	10	
Total weight . . .Kg.	\$ 323	243	490		430	473			
Total value . . . \$	\$ 35	33	66		48	120			
United States . . .Kg.	\$ 985	1,612	4,410	38	16				
United States* . . .Kg.	\$ 88	138	370	5	5				
Spain . . . . .Kg.					62	87	581	164	
United Kingdom . . .Kg.					8	10	82	14	
Norway . . . . .Kg.						104			1,840
France . . . . .Kg.						30			998
China . . . . .Kg.	\$ 90	60	412		76	163	89	3,606	
Japan . . . . .Kg.	\$ 158	57	301		16	61	51	719	
Total weight . . .Kg.	16,989	106,710	256,640	159,335	86,852	151,424	103,941	34,112	31,864
Total value . . . \$	1,855	14,135	31,082	18,180	14,240	22,772	13,184	9,255	9,712

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The principal products classified under this heading are the fish pastes, mainly anchovy paste, packed in a variety of ways in containers such as tins, glass and tubes. Both sardine and salmon pastes also contribute to the small volume of trade in this type of product.

Other items are: Bismarck herring in 5-ounce and 12-ounce jars; eels in olive oil; caviar, both red and black; codfish cakes and rolled mops and gaffel-bitars in 5-ounce jars.

The customs duties and other charges for this item are identical with those shown under the heading "oysters".

### OTHER SHELLFISH, N.E.E.

Similar to the immediately preceding item, this one is a composite item covering all of the miscellaneous types of shellfish and bi-valves, in containers, not mentioned elsewhere. The United States is and always has been the most important supplier of these unspecified fish items, as shown by the following table of imports, although up to 1940 Spain had a minor portion of the trade:—

*Cuban Imports of Other Canned Shellfish*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
United States . . . .Kg.	34,930	27,894	140,799	49,862	59,904	69,331	38,280	35,023	30,716
"                  \$	4,106	3,722	18,345	12,337	15,038	15,291	11,685	11,312	11,372
United States* . . .Kg.	.....	.....	.....	.....	.....	.....	200	29	11
"                  \$	.....	.....	.....	.....	.....	.....	284	49	64
Spain . . . . .Kg.	5,668	1,277	5,099	14,179	28,789	26,777	3,002	23,168	.....
"                  \$	755	471	1,244	3,084	6,566	5,174	1,257	6,072	.....
France . . . . .Kg.	.....	9	.....	.....	117	35	1,975	237	.....
"                  \$	.....	3	.....	.....	54	15	455	87	.....
Norway . . . . .Kg.	86	.....	.....	434	680	333	.....	.....	.....
"                  \$	12	.....	.....	64	119	56	.....	.....	.....
United Kingdom . .Kg.	26	.....	45	.....	19	17	137	57	18
"                  \$	10	.....	9	.....	7	8	57	10	5
Canada . . . . .Kg.	10	.....	.....	.....	.....	.....	.....	.....	.....
"                  \$	8	.....	.....	.....	.....	.....	.....	.....	.....
Portugal . . . . .Kg.	.....	.....	.....	.....	.....	.....	539	286	.....
"                  \$	.....	.....	.....	.....	.....	.....	323	212	.....
Mexico . . . . .Kg.	.....	.....	.....	.....	9	.....	2	.....	.....
"                  \$	.....	.....	.....	.....	2	.....	1	.....	.....
Russia . . . . .Kg.	98	.....	42	.....	.....	.....	.....	.....	.....
"                  \$	159	.....	102	.....	.....	.....	.....	.....	.....
Other countries . .Kg.	756	.....	408	2	1	1,406	168	1,894	37
"                  \$	92	.....	122	1	2	234	80	844	1
Total weight . . .Kg.	41,574	29,180	146,303	64,477	89,519	97,899	44,303	60,694	30,732
Total value . . . \$	5,142	4,196	19,822	15,491	21,788	20,778	14,142	18,586	11,442

\* Import figures for years prior to 1939 include re-exports; for 1939 and following years re-exports are shown separately.

The principal items under this heading are canned shrimps and crab meat and, to a very small extent, clams and mussels. The landed cost of these items is, however, so high and the competition which they meet from locally produced shellfish so severe that the trade in these products is restricted to extremely small proportions. There is a small import of "berberechos", for which there is no available English translation. It is a bi-valve mollusk some 2 to 3 centimetres long, raised and canned on the north coast of Spain. No lobster is imported into Cuba, as there is not only a substantial catch of fresh lobster but also a moderately important pack and export of it. In addition there is a local production of various other types of shellfish, such as "camarones", or shrimps, prawns, "langostinos" or crawfish, "almejas" or clams or quahaugs and Morro crab. The availability of these various kinds of fresh shellfish tends to restrict sales of any canned variety that competes with them.

The customs duties and other charges on this item are the same as those enumerated for "oysters" above.

## MACKEREL

No table of imports will be supplied for the item canned mackerel, as it was not until 1940 that this product was given separate classification in the trade figures. Moreover, the whole of the imports in both years were from the United States. Previous to its separate classification, the imports were included under "other fish, n.e.e."

Considerable progress has been made recently in the sale of this commodity in the Cuban market. It comes packed in its own oil in 1-pound tall tins. It is fairly low in price and is accorded a relatively low tariff rate by virtue of the supplementary trade treaty with the United States of December 18, 1939. That rate is \$0.028 per kilogram gross, but no rates have as yet been established for imports from other countries under either the general or maximum tariff columns. Accordingly canned mackerel from any other country would be dutiable under the item "other fish, n.e.e.", the rates for which were given previously. This item is subject to a Public Works tax of 3 per cent of the duty; the weight reduction for tare when in cases and all other containers is 15 per cent, and there is the usual general surcharge of 20 per cent of all duties, surtaxes and other import charges applicable to imports from all countries, except the United States.



## IMPORTS OF CANADIAN FISH INTO CUBA

The following table shows for 1933 to 1941 inclusive the items, with their values, which enter into Canada's trade in fish products with this country:—

*Cuban Imports of Fish from Canada*

	1933	1934	1935	1936	1937	1938	1939	1940	1941
Codfish, stockfish and pollock, dried, salt..Kg.	1,180,989	1,581,414	2,304,102	2,248,846	1,946,136	1,698,336	1,589,142	1,338,254	2,036,953
\$	101,143	208,553	285,095	219,439	248,044	208,561	167,653	166,241	381,297
Sardines, dried and pressed.. . . .Kg.	.....	2,948	.....	1,872	.....	878	.....	.....	9,180
\$	.....	350	.....	176	.....	112	.....	.....	1,465
Haddock, Mullet and skate, dried, salted.Kg.	.....	17,954	77,222	64,543	6,737	.....	1,485	.....	31,433
\$	.....	1,910	7,551	5,712	680	.....	105	.....	5,281
Hake, dried, salted ..Kg.	1,092	108,864	64,146	38,126	14,173	.....	2,340	2,300	41,379
\$	130	10,540	5,153	3,332	1,490	.....	290	325	6,548
Other fish, n.e.e., dried, salted .. . . .Kg.	891	42,144	6,700	.....	.....	.....	.....	37,820	32,175
\$	84	4,158	602	.....	.....	.....	.....	5,229	5,591
Herring, smoked, salted, in brine or pickled.Kg.	9,857	33,104	11,678	2,953	4,802	.....	1,076	24,118	39,016
\$	689	1,794	1,419	179	243	.....	292	1,819	3,810
Mackerel, salted, in brine or pickled.. .Kg.	.....	304	785	1,712	1,665	1,782	.....	.....	.....
\$	.....	42	93	150	125	137	.....	.....	.....
Salmon, smoked, salted or pickled.. . . .Kg.	.....	.....	.....	112	.....	.....	.....	.....	.....
\$	.....	.....	.....	9	.....	.....	.....	.....	.....
Oysters and other shell-fish, dried or fresh.Kg.	.....	.....	1,089	2,315	1,550	.....	.....	.....	.....
\$	.....	.....	220	512	280	.....	.....	.....	.....
Canned fish, all types.Kg.	.....	.....	268	.....	.....	2,344	.....	.....	.....
\$	.....	.....	48	.....	.....	447	.....	.....	.....
Total weight .. .Kg.	1,192,829	1,736,732	2,465,990	2,360,479	1,975,063	1,703,340	1,594,043	1,402,492	2,190,136
Total value .. . \$	102,046	227,347	300,181	229,509	250,862	209,257	168,340	173,614	403,992

The effect of the political and economic conditions prevailing in Cuba from 1933 onward is clearly indicated in the foregoing table. The gradual increase in Canada's fish supplies to this country from the low period of 1933 can be traced to the year 1935. Unfortunately Canada did not participate in the further economic expansion which continued until the end of 1937 on account of the entry of Newfoundland into the Santiago codfish market. From that point onward the Canadian share of the fish trade, which was almost wholly in codfish, began to decline both in volume and value, the year 1937 excepted, until 1941. War conditions in that year, as previously explained, led to a considerably increased volume and value of codfish sales and to a similar increase in or a complete re-introduction of most of the other dried and smoked fish items of which Canada normally is a supplier.

As may be noted from the foregoing figures, Canada does not participate to any worthwhile extent in the canned fish trade of this country. However, were supplies of sardines available, it is fairly certain that a moderately important volume of trade could be developed. There does not seem to be much chance of placing any canned pilchards against Californian competition, since Canadian prices quoted in the past have always been considerably higher than those of Californian packers. In addition, there have been the further handicaps of greater transportation cost and the tariff preference granted to United States exporters.

With respect to canned salmon there is not the slightest chance of selling this item in Cuba for reasons already explained. A small trade can be carried on in canned kipper fillets, but not much can be expected from such items as canned fish cakes or canned lobster.

In the smoked, salted and pickled items the sales of bloaters could be very considerably expanded if supplies were available, but not much can be expected from the pickled types, as this trade, besides being negligible, is very strongly held by certain New York packers.

The dried salt varieties will continue to be Canada's main contribution to Cuba's fish imports. Of these, codfish is by far the most important, as sales of the other varieties, besides being more or less spasmodic, have never reached important proportions. So much has already been published on the markets in Cuba for codfish that nothing further need be added in the present report except to state that appreciably larger quantities, even at the present high level of prices, could be sold if supplies were available. The same may be said of the other principal types such as haddock, pollock, hake and cusk, providing they are quoted at prices reasonably lower than those of codfish.

## **SOUTH AFRICAN CONTROL OF PAPER AND PAPER PRODUCTS**

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town has forwarded to the Department copy of a South African Government Notice regulating the domestic use of paper and paper products in the Union. The following summary of these regulations has been prepared for the information of Canadian manufacturers and exporters, who are among the principal suppliers of these products to that market:—

The Controller of Paper in the Union of South Africa, appointed under War Regulations of 1942, issued a Notice (No. 290) on February 19, establishing extensive control over the disposal and use of paper products. The Notice, as affecting importers, debars them from using or disposing of raw or manufactured paper unless the Paper Controller has been advised of the importation.

Newspaper publishers are to reduce consumption of paper by 40 per cent of the total used for the 12 months preceding August 1, 1939, and are not allowed to issue papers more frequently than at the former regular intervals. If they began to publish after August 1, 1939, they are to reduce consumption by 25 per cent of the quantity used in the first six months. There is no allocation of paper for newspapers not published before February 19, 1942, the date of the aforementioned Notice. Magazines and periodicals are similarly treated, except that consumption of paper by those published before August 1, 1939, is reduced by only 25 per cent.

Catalogues and programs are allowed only up to one-half of the 1939 size. The issue of city or other guide books is prohibited, and telephone directories may be printed only once a year. It is forbidden to reprint any document, except in the next smaller standard size, or to print labels more than  $1\frac{3}{8}$  inch in depth, or one-half the last size.

Maximum sizes, margins and numbers of pages are prescribed for blank books, writing pads, and such like, and scribbling pads are to be made only from waste.

The Notice states that no manufacturer or wholesale distributor shall use or provide paper to wrap or pack any article which does not reasonably require it for protection. Persons carrying on retail business, dry cleaning or laundering are not allowed to deliver in cardboard containers unless the goods are already packed in small containers, are sent by post or rail, or weight at least 10 pounds.

It is forbidden to supply any person with paperboard in excess of six months' normal requirements, including the stocks on hand.

Paperboard, card or cardboard is not to be used for advertisements, view cards, picture post-cards, containers for retail disposal of goods already packed, stiffening the packing of apparel, or the manufacture of fancy boxes. Several classes of merchandise are designated, including sugar, tea, nuts, sausages, fats, soap, inexpensive footwear, seeds, bird food, adhesive tape, typewriter ribbons and some others, for which it is stated containers are not to be made from paperboard or cardboard.



## INDUSTRY AND FINANCE IN NORTHERN IRELAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, April 10, 1942.—During 1941 Northern Ireland's industries were increasingly utilized for war work and, despite difficult conditions and enemy air attacks in the spring, production, particularly in the shipbuilding and engineering industries, was well maintained. It was a difficult year for the linen industry in consequence of the shortage of flax, factories and mills being employed to only about one-third of their normal capacity. Nevertheless during the year the unemployment figures dropped from 69,643 to 28,164. Some 15,000 workers obtained employment in Great Britain, and the majority of the remainder were absorbed into war work at home. A further decrease in these figures was recorded during the first three months of 1942, the number of men aged 18 and over who were registered as wholly unemployed being reduced from 10,903 in January to 8,470 in March, and the number of women from 11,746 to 9,836.

The control of imports and exports was further extended during the year. The importation of many products formerly obtained from Canada has now ceased, due to the necessity for conserving shipping space and exchange, but it may be taken for granted that substantial quantities of the essentials, such as foodstuffs, timber, etc., continue to arrive from Canada.

With regard to the home trade, certain additions have been made to the schedule of goods covered by the Limitation of Supplies Order. The rationing of practically all items of clothing was introduced almost a year ago, and the rationing of foodstuffs has been extended.

An estimated contribution of £11,750,000 is to be made by Northern Ireland towards imperial expenditure for the financial year which ended on March 31, 1942; last year the figure was £6,000,000. In addition, advances to the British Exchequer from Ulster Savings Certificates (Defence Issue) amounted to £3,060,000. The surplus of revenue over expenditure was £42,474 as against £80,624 last year. Revenue totalled £16,263,091 as compared with an estimate of £16,374,000; expenditure amounted to £16,220,617 as compared with an estimate of £16,297,000. All the estimates under the heading of Tax Revenue (Transferred)—estate duties, stamp duties, excise, and motor vehicles—were exceeded, the total being £2,280,312 as compared with an estimate of £1,761,000. On the expenditure side there was a heavy increase under the Loans Guarantee Acts, the total being £406,680 as against an estimate of £160,000.

### ELECTRIC POWER

Throughout 1941 and the first three months of 1942 the electrical contracting industry was extremely busy, due largely to the insistent demands of wartime services. In view of the increasing volume of factory work, the improvement of factory lighting received closer attention, and in this connection the introduction of new fluorescent lighting was found to be an outstanding success. This new type of lighting will, it is expected, supersede many of the existing installations. There was a greatly increased demand for domestic appliances, including electric kettles, toasters, heaters, irons, etc., which far exceeded the supplies available, these being greatly restricted by reason of priority requirements for urgent national work. No statistics are available with regard to consumption of current, but there has been a considerable increase during period under review in the power supplied for industrial purposes.

### GAS SALES

Notwithstanding wartime difficulties during 1941, the gross profit on the manufacture and sale of gas by the largest gas undertaking in the province,

that of the Belfast Corporation, showed an increase over the figure for 1940, and the increased output recorded during 1941 has been maintained during the first three months of the present year. Throughout the year there was a brisk demand for coke, and there were occasions when it was impossible to meet full requirements, although production was higher than ever before. The consumption of gas oil was reduced through efforts to effect economy in its use. In the chemical section the results were highly satisfactory, the demand for its products being such as to enable the whole of the output to be readily disposed of, with the result that a substantial increase was recorded in revenue as compared with last year. The work of the distribution section was restricted mainly to the repair and maintenance of the mains and the servicing of stoves. In order to conserve piping supplies, only a small mileage of new mains was laid throughout 1941. As a result of the operations in the stove section, a credit balance was effected as against a debit balance for the previous year.

#### MANUFACTURE OF CLOTHING

During 1941 Ulster's clothing factories were taxed to capacity in providing clothing for the forces and civil defence organizations and, despite difficulties in obtaining supplies of material, the normal output of men's and boys' suits and overcoats was well maintained. The shirt and collar section of the industry, however, experienced a less prosperous year, as contracts from the Ministry of Supply were few, and those placed were very much reduced. A great many firms are making outerwear, denim overalls, etc., and in Londonderry, the chief centre of the industry, the factories are adapting their plants to an increase in the output of other garments essential to the war effort. Prospects for 1942 seem to be much brighter, however, as the manufacturers are anticipating an increase in the number of orders from the Ministry of Supply.

#### TRANSPORT

War conditions had a very material effect on the working of the Northern Ireland railway companies and were responsible for a degree of prosperity such as they had not enjoyed for a considerable number of years, the gross receipts of both the Great Northern and the Belfast and County Down Railways showing substantial increases. Passenger traffic reached abnormal proportions during the year, and the companies' resources in rolling stock were taxed to the utmost. A large floating population of military, air force and naval personnel contributed materially to this traffic.

### CONSERVATION OF NEWSPRINT BY UNITED STATES PUBLISHERS

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, April 23, 1942.—The American Newspaper Publishers Association, at a conference held in New York, approved the following recommendations of the Committee on Newsprint Conservation:—

1. All returns to be eliminated.
2. A committee to be appointed to gather information as to the steps which have been taken, should be taken, and probably in due course must be taken by newspapers affecting their size, the number of editions they publish, the reduction of content material, and to supply this information to all publishers for their consideration.
3. Publishers should take every step available, not only to conserve newsprint paper, but also gasoline, oil, tires, trucks, and all other materials and equipment that have to do with the production and distribution of newspapers and the conservation of which is essential to the war effort.



## METHODS ADOPTED TO SAVE NEWSPRINT

The Committee reported that they had sent inquiries to every daily newspaper in cities of over 100,000 population having two or more newspapers under different ownerships to ascertain what these newspapers had done and what they intended to do regarding the conservation of newsprint paper.

Based on the returns received, the Committee reported that the following conservation measures have been put into effect to save newsprint. Not all newspapers have adopted all the measures listed below, but some are practising one or more of the following:—

## MEASURES AFFECTING CIRCULATION

- Eliminated or reduced free, sample, complimentary and service copies.
- Eliminated or reduced returns in some or all classifications.
- Eliminated or reduced all coupon or other promotional schemes for new circulation.
- Increased mail subscription rates.
- A more careful checking of unaccounted-for papers.
- A more careful check on press runs.
- Used street returns to fill mail subscriptions.
- Brought circulation lists up to date and eliminated "dead-heads".
- Used left-overs for tear sheets.
- Eliminated "extras" unless news is of great importance.
- Eliminated bulldog editions.
- Required circulation of carriers to be paid for two weeks in advance.
- Eliminated expensive circulation in places where discounts, allowances, and payments for transportation, etc. were too large.
- Discontinued selling through racks.
- Reduced number of retail outlets in suburban areas.
- Reduced number of papers for file use.
- Reduced number of deliveries to newsstands and street corners.
- Eliminated exchanges.
- Eliminated forcing sales on news dealers.
- Do not take back newspapers from dealers or agents to secure preferential privileges.
- No payments made in any way to agents, dealers, or newsboys to secure special privileges.
- Reduced number of editions.
- Eliminated single copies by motor routes.

## MEASURES AFFECTING ADVERTISING

- Increased advertising rates.
- Reduced classified heads by changing style.
- Reduced space devoted to classified matter by reducing slugs.
- Reduced number of proofs going to local advertisers.
- Charged advertisers for composition and plates ordered and not used within a specified time.
- Eliminated making highlights and drop-out half-tones and half-tone borders through use of Kromolite process.
- Eliminated advertising "puffs" and free publicity to major degree.
- Deadlines for advertisers and editorial department re-arranged to reduce cost and eliminate waste.

## MEASURES AFFECTING EDITORIAL POLICY

- Increased the percentage of advertising to reading matter.
- Reduced or eliminated daily comics.
- Reduced Sunday comics.
- Reduced space given to market reports, real estate, travel, etc.
- Eliminated unimportant features and fillers
- Reduced news by careful editing.

- Reduced pictures by more careful selection.
- Discontinued or reduced rotogravure sections.
- Eliminated womens' features.
- Reduced editorial content.
- Reduced or discontinued Sunday magazine supplement.
- Reduced sports news.
- Reduced religious news.
- Reduced size of headlines and subheads.
- Reduced type in news leads.
- Eliminated rules in news heads.
- Set up standing heads for market page stories.
- Eliminated Saturday editorial page.
- Reduced make-over.
- Reduced space devoted to radio programs.
- Reduced society news.
- Reduced widths of comic strips.
- Eliminated inside decks.
- Reduced type matter in masthead.
- Eliminated serial stories.
- Eliminated automobile sections.
- Eliminated "jumps" so far as possible.
- Checked on over-ordering of comics, magazine sections or rotogravure sections printed by commercial organizations.

#### MEASURES AFFECTING MECHANICAL WORK

- Decreased roll sizes.
- Reduced size of column rules.
- Discontinued overlines on cuts.
- Reduced size of cuts.
- Reduced margins.
- Reduced column size.

#### MEASURES AFFECTING WASTE

- Rewound all damaged rolls.
- Used all paper including core.
- Used waste for wrappers or for tablets or second sheets which are sold.
- Reduced damage to newsprint by careful handling in hauling and unloading.
- Used wrappers from newsprint roll to tie up bundles.
- Classified waste and sold uncrumpled newspapers at higher prices.
- Reduced number of presses in operation, thus reducing waste.
- Checked on weight of newsprint shipped by mill.
- Reduced press speed to avoid web breaks.
- Checked carefully cartage and storage charges.
- Checked with mill on breaks, giving all roll numbers and known causes.

#### CIRCULARS

In connection with the reducing or elimination of the printing of circulars it has been noted that many of the metropolitan New York papers have adopted a large number of the suggested measures affecting advertising and editorial policies, and one New York paper in particular has changed over to the tabloid form in order to cut down consumption.

The Committee on Conservation of Newsprint further reported that, notwithstanding a large increase in total newspaper circulation resulting from the demand for information on the progress of the war, for the first time in a number of months the trend of newsprint consumption started downward in February, when there was a reduction of 1.5 per cent in consumption as compared with February, 1941. The trend continued downward in March and showed a reduction of 2.9 per cent as compared with March, 1941.



### PRODUCTION

Production of newsprint paper in North America for the first three months of 1942 amounted to 1,211,577 tons as compared with 1,130,305 tons in the corresponding period of 1941, a gain of 81,272 tons or 7.2 per cent. Canadian production for the first quarter of the year totalled 885,840 tons, an increase of 103,166 tons or 13.2 per cent over the total of 782,674 tons in the like period of 1941. United States production amounted to 241,785 tons or 14,435 tons or 5.6 per cent less than the 1941 first-quarter production of 256,220 tons. Newfoundland production totalled 83,952 tons, a decline of 7,459 tons or 8.2 per cent. Canadian production accounted for 73 per cent of the total North American production for the first three months of this year, while United States and Newfoundland productions accounted for 20 per cent and 7 per cent respectively.

### STOCKS

According to the News Print Service Bureau, shipments of newsprint from United States and Canadian mills for the first quarter of 1942 amounted to 1,102,995 tons as compared with 999,748 tons in the corresponding period of 1941. Mill stocks in the United States and Canada on March 31, 1942, were 11,161 tons and 144,626 tons respectively, or a total of 155,787 tons as compared with 204,972 tons on March 31, 1941. This was a decline of nearly 24 per cent and was attributed to the high level of shipments maintained in the first quarter of this year.

Stocks on hand or in transit to the members of the American Newspaper Publishers Association were estimated at 416,000 tons on March 31, 1942. The publishers had increased their stocks by approximately 30,000 tons since the end of December, 1941. Their stocks at the end of March represented a 51 days' supply as compared with 36 days' supply at the close of March, 1941.

### CONSUMPTION

The newspaper publishers, reporting to the American Newspaper Publishers Association for the first three months of this year, used approximately 699,000 tons of newsprint as against 708,000 tons in the 1941 period, a decrease of 9,000 tons or 1 per cent. It has been estimated that about 75 per cent of the total United States newsprint consumption was used by the publishers in 1941. On this basis, total consumption for the first quarter of 1942 was approximately 932,000 tons.

### OUTLOOK

Canadian and United States manufacturers of newsprint are in an excellent position at the present time. Nevertheless, as war demands pile up and advertising shrinks, there will be a loss of income to the publishers. Production costs and possibly reduced newsprint output, resulting from demand for manpower, mechanical power and materials, will undoubtedly create problems for newsprint producers. While no forecast can be made of newsprint consumption in 1942, it appears that on the present basis of consumption there will be a considerable decrease in the United States figure.

### TRADING WITH THE ENEMY: ADDITION TO LIST OF COUNTRIES AFFECTED BY REGULATIONS

Under Regulation 54 of the Consolidated Regulations Respecting Trading with the Enemy (1939), it has been certified that Burma is to be considered enemy territory within the meaning of these regulations as and from March 18, 1942.

## CONTROL OF EXPORTS FROM CANADA: REGULATIONS AMENDED

By Order in Council P.C. 3823, effective May 15, 1942, the following items will require an export permit for shipment to any country.

### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Grasses, cereal or other, dehydrated.

Legumes, dehydrated, for animal or poultry feeding.

### GROUP 2—ANIMALS AND ANIMAL PRODUCTS

Tankage, meat and bone tankage, meat meal or meat scrap, meat and bone meal, or meat and bone scrap, n.o.p.

Charcoal, animal, including bone char or bone black, either before or after use in clarifying sugar or syrup solutions.

### GROUP 3—FIBRES, TEXTILES AND TEXTILE PRODUCTS

Fabrics composed wholly or in part of cotton.

Articles composed wholly or in part of cotton.

Fabrics composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p.

Articles composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p.

Cellulose acetate, filament and yarn.

Cuprammonium (Bemberg) filament and yarn.

Cotton yarn, other (including thread).

By Export Permit Branch Order No. 36, effective May 5, 1942, an export permit will not be required for shipment of normal supplies of provisions from Canada as ships' stores, except as otherwise provided for in the Export Permit Regulations.

By Export Permit Branch Order No. 37, effective May 8, 1942, an export permit will be required for shipment of salt (sodium chloride) from Canada to any country.

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### DUTIES ON WEARING APPAREL TEMPORARILY REDUCED

Mr. E. L. McColl, Canadian Trade Commissioner in Dublin, reports that a government Order, effective from March 19 to September 18, 1942, reduces rates of duty on wearing apparel, creates some new preferences for such goods from British Commonwealth countries over similar imports from foreign countries, and widens the margins of preferences previously existing. Preferences formerly restricted to the United Kingdom and Canada are made applicable to all Commonwealth countries.

The following articles are now dutiable at 25 per cent ad valorem when imported from the United Kingdom, Canada or other Commonwealth country, and 37½ per cent ad valorem if from any other country; the former rates to United Kingdom and Canada, to other Commonwealth countries, and to all other countries, are shown in parentheses after each item: Shirts (30) (40) (40); collars and cuffs (40) (40) (40); corsets, brassieres, etc. (40) (40) (40); gloves (25) (40) (40); handkerchiefs (30) (60) (60); undergarments of silk or artificial silk (60) (60) (60); umbrellas (40) (40) (40); hats and caps of leather or leather substitute (60) (60) (60); hats and caps of wool or worsted (60) (60) (60); hosiery of silk or artificial silk (40) (40) (40); wearing apparel of knitted fabric (33½) (40) (40); unspecified clothing or wearing apparel (60) (60) (60); accessories of personal clothing or wearing apparel (60) (60) (60).

Shawls, now dutiable at 25 per cent ad valorem from all countries, were formerly 30 per cent from all countries. Hats and caps, other than of wool, worsted, or leather, are dutiable at 25 per cent ad valorem from all countries as before; and protectors or guards for games or sports from all countries pay 10 per cent ad valorem as before.



## South Africa

### EXTENSION OF IMPORT PROHIBITIONS

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, cabled on May 11 that the list of articles for which licences are not to be issued for importation into the Union of South Africa from countries outside the British Empire and also from non-sterling British countries, including Canada, has been amended by the addition of more tariff items. He mentioned wooden shingles, paper drinking-cups, calendar mounts, laces, embroidery, and cigars as importations from Canada which are affected.

War emergency regulations of September 14, 1939, empower the Government of the Union of South Africa to prohibit import or export of any specified goods. The Minister of Commerce and Industries announced on June 20, 1941, that imports would be divided into four categories, according to degrees of essentiality, and on August 20, 1941, an Imports and Exports Control Board was created. The proclamation creating this Board declared that the Minister of Commerce and Industries, on recommendation of the Board, might subject import or export of any specified goods to the requirement of a permit from the Board.

Goods from all countries, except the sterling areas of the British Empire, were from September 15, 1941, subjected to this control, and some goods were designated as prohibited from these sources.

The original list of articles for which it was stated licences would not be issued for importation from foreign countries or the non-sterling areas of the British Empire, is included in an article published in *Commercial Intelligence Journal* No. 1965 (September 27, 1941), page 377; this list is slightly amended in a later notice published in No. 1971 (November 8, 1941), page 561.

## Newfoundland

### CONTROL OVER SALT IMPORTATIONS

The Commissioner for Natural Resources in Newfoundland issued an Order on April 15 under the Defence (Salt Supply) Regulations, 1942, calling upon persons trading in salt or having in possession or control 20 hogsheads or more of salt to make a return by April 18 to the Chairman of the Newfoundland Fisheries Board. This action was taken to comply with requirements of various authorities controlling allocation of shipping space and in order to arrange for tonnage for necessary importations. Merchants, fishermen, and others concerned, therefore, were called upon to report places where salt was stored, and quantities held or en route to Newfoundland, with place where the latter was to land. The regulations affect salt used or reasonably capable of being used in the curing of fish of any kind.

## Colombia

### REGULATION OF USE OF SCARCE COMMODITIES

A branch of the government service of Colombia, established by a decree issued on February 13, and described as a National Superintendency of Imports, is empowered to study the country's requirements in foreign raw materials of which export is restricted in other countries and to compile information which the Government of Colombia must submit to other countries in order to obtain export quotas of materials necessary to the national economy. The new Board is to examine orders placed abroad and to determine if they correspond to real needs, in order to obtain priorities. It is authorized to submit for government approval regulations with respect to distribution of import quotas, import licences, etc., and to regulate distribution within the country of foreign materials of which supply may be less than normal needs.

## EXCHANGE CONDITIONS IN NEW ZEALAND

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, New Zealand, March 24, 1942.—The exchange control regulations in New Zealand, which have been in force for some time and have previously been reported in full, have not been altered. New Zealand's overseas trade, guiding factor in the control of exchange, continues on a scale which at time of writing is regarded as sufficient to finance in a normal manner all imports under the selective policy in force.

The excess of exports over imports for the year 1941 amounted to £18,300,000 as compared with £24,700,000 for 1940. In normal times £12,000,000 is considered sufficient to meet payments for debt services, etc., due abroad, but under current conditions £20,000,000 is required. It is possible this year, therefore, that exchange funds overseas will be drawn on or that the external debt will be increased. It is also possible that overseas purchases will be further curtailed unless a better showing in exports can be made. During 1941, overseas funds increased by £1,860,000 and at the end of December stood at £25,270,000.

For the year 1941 the balance of trade between New Zealand and Canada favoured the Dominion to the amount of £247,524,

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 11, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 11, 1942, and for the week ending Monday, May 4, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 4	Nominal Quotations in Montreal Week ending May 11	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2618	.2623	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6328	.6328	4
Venezuela . . . . .	Bolivar	.1930			
	Official		.....	.3313	—
	Free		.....	.3219	—
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Truro, N.S.  
Windsor, N.S.  
New Glasgow, N.S.  
Quebec, P.Q.  
Montreal, P.Q.

Toronto, Ont.  
Chatham, Ont.  
Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.

St. Mary's, Ont.  
Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
Ladies' Handbags.....	3819	San Salvador, El Salvador...	Agency.
Locks and Door Handles, etc....	3825	San Salvador, El Salvador...	Agency.
Pattern Paper for Dressmakers..	3828	Mexico City, Mexico.....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

Acting Trade Commissioner. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* J. C. BRITTON, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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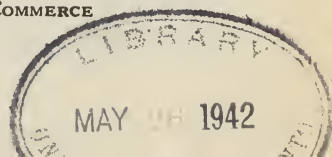
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L. D. WILGRESS, DEPUTY MINISTER





## CONTROL OF EXPORTS FROM CANADA: EXPORT SHIPPING PRIORITY RATING

Due to a shortage of shipping out of United States ports to Latin-American countries, the Export Permit Branch, in conjunction with United States authorities, has instituted a system of export shipping priorities, effective immediately.

Under this system export permits to ship to Latin-American countries will be given a shipping priority rating to be stamped on the face of the permit. Exporters, before having ocean space allotted to them by the shipping companies, will have to disclose their shipping priority rating; on the basis of that rating, shipping space will, or will not, be made available to them.

Shipping priority rating will be assigned entirely on the basis of the *use* of the material covered by the application. It will, therefore, be necessary for exporters, when making application for a permit to export, to give full and complete information concerning the use for which the material is required.

In deciding a shipping priority rating, the following consideration will serve as a guide: Is the material likely to be used directly to the benefit of the United Nations war program or to hemispheric military defence, or is the material essential to the maintenance of the individual, economic and civilian life of the country of destination, or is the commodity deemed important simply to the industrial and civilian use of the country but for which there is no immediate urgency?

Full details as to the specific industry which will use the material must be supplied.

Failure to supply full, complete and detailed information as to the *use* will simply result in unnecessary delays, as it will be impossible to grant a shipping priority rating without this information, and furthermore, no priority ratings will be granted by telephone or telegram.

In making application, to assist in arriving at a priority rating, the exporter should give the following additional information:—

1. The United States port of lading, if known; every effort should be made to ascertain the name of this port.
2. The approximate cubic measurement of the proposed shipment.
3. The approximate gross weight in pounds.
4. Information as to whether or not the material covered by the application is ready for shipment or the approximate percentage finished for shipment, and, if completed, whether the article can be used in Canada.

When the priority rating has been granted and the permit issued, the original (white copy) of the permit must be securely attached to the railway bills of lading. It will not be taken up at the Canadian frontier port of exit by the Canadian Collector of Customs, but must accompany the bills of lading to the United States port of lading.

In the case of shipments made under a partial shipment permit, the original (white copy) of the permit will not be taken up by the Canadian Collector of Customs at the validating port, but will be securely attached, together with the yellow copy of the partial shipment form, to the bills of lading to go forward as above mentioned to the United States port of lading. On subsequent partial shipments under the permit, after validation of the partial shipment forms, the yellow copy of the partial shipment form will be firmly attached to the railway bill of lading to go forward with the shipment.

Railway companies will be requested not to move cars from inland points unless the original copy of the export permit and, in the case of partial shipments, the yellow copy of the partial shipment form are presented firmly attached to the railway bill of lading.

In addition, the export permit number should be clearly and prominently endorsed on each railway bill of lading for each shipment made against a particular export permit.

The Latin-American countries referred to above are as follows: Mexico, Cuba, Haiti, Dominica, Guatemala, Honduras, Salvador, Nicaragua, Costa Rica, Panama, Venezuela, Colombia, Ecuador, Peru, Bolivia, Chile, Argentina, Uruguay, Paraguay, Brazil.

## UNITED KINGDOM BUDGET

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, April 16, 1942.—The international side of United Kingdom finance has been completely changed by the Lease-Lend assistance which has been in effective operation for the past year. In his budget speech, the Chancellor of the Exchequer paid tribute to the vital character of the Lease-Lend deliveries, which probably amounted to £600,000,000 in the year ending March 31. He also expressed gratitude for the voluntary and generous action of the Canadian Government in the same field and stated that this had ensured that no financial difficulty should impede the free flow of necessary supplies from the Dominion. These provisions meant that the United Kingdom's financial problems in North America had now been greatly reduced. The movement of munitions and other essential supplies to this country from overseas are conditioned not by ability or inability to find the means of payment but by the requirements of military policy and the availability of shipping and other transport facilities.

## PRICE STABILIZATION

On the domestic front there has been, during the year, a marked development of that economic policy which ensured the subordination of normal peace-time standards to the requirements and urgency of the war situation. In this respect considerable progress has been made. But neither savings nor taxation, rationing nor the limitation of supplies, nor any of the measures promoted for the purpose of harnessing the national economy to the war effort would solve economic wartime problems if the price structure were to be allowed to get seriously out of gear.

In this connection, although there have been some small increases in a few of the less essential foodstuffs, the price level of the main staple foods has been steady. The price of clothing has increased, but special steps are being taken to put on the market utility articles at more reasonable costs. Price stabilization through subsidies has cost the Exchequer £125,000,000 in the past calendar year.

The Chancellor stated that the onset of inflation has been definitely held, but that the position still called for the utmost vigilance. The potential danger arising from the impact of a larger national income upon a reduced supply of goods cannot be ignored, and it must be warded off by various means, of which heavy taxation, by reducing purchasing power, is only one.

## REVENUE AND EXPENDITURE FOR 1941-42

As regards the last financial year, the revenue of £2,074,000,000 exceeded the estimate by £288,000,000. The total expenditure was £4,776,000,000. Receipts from Inland Revenue Duties (Income Tax, Surtax, Estate Duties and Stamp



Duties) did not diverge from the estimate, but, due mainly to an excess of £60,000,000 in returns from National Defence Contributions and Excess Profits Tax direct taxation receipts as a whole were £76,000,000 above expectation. The corresponding figure for Customs and Excise was £127,000,000 (£704,000,000 collected against £577,000,000 estimated). This collection reflects mainly an ever-growing purchasing power.

The Purchase Tax has been highly successful. Although last year's budget reckoned on a yield of £70,000,000, receipts had totalled £98,000,000.

Personal savings have relieved some of the Treasury's difficulties. Last year it was anticipated that an additional sum of between £200,000,000 and £300,000,000 would be raised from this source. Actual gross personal savings were £640,000,000 in 1940 and £909,000,000 in 1941. On this basis there was an increase of no less than £269,000,000 in the total of personal savings.

### EXPENDITURE FOR 1942-43

Turning to the prospect for the new financial year, the Chancellor estimated that total expenditure in 1942-43 will be £5,286,000,000, an increase of £510,000,000 over the actual expenditure of the past year. The assistance to be given by the Canadian Government will be treated as a cash receipt and will not be deducted from the estimated expenditure out of the Vote of Credit. On the other hand, the figure for total budgetary expenditure includes no provision for goods supplied on Lease-Lend terms. Thus, the amount of budgetary expenditure no longer gives a valid comparison either of the total resources at the disposal of the Government for war purposes or of the amount met out of domestic resources.

The grand aggregate of the total resources available under all heads for the coming financial year will probably exceed £6,500,000,000 as compared with £5,500,000,000 in the year just concluded.

The amount which represents the domestic effort of the people of the United Kingdom and which must be paid for from its domestic resources is approximately £4,500,000,000, an increase of £700,000,000 on last year's figure. Towards this the Chancellor has established the target figure of £2,400,000,000 to be derived from taxation, leaving £2,100,000,000 to be obtained from voluntary savings, non-replacement of capital depreciation and analogous sources.

### INCREASES IN TAXATION

Although on the above basis the Chancellor requires £300,000,000 more tax revenue than last year, half of this will be provided by the full year's effects of last year's increases (particularly in Income Tax) and the buoyancy of conditions. Exceptionally the Purchase Tax yield will be assumed to be lower as a result of Limitation of Supplies orders. About £150,000,000 is consequently required from new taxation.

The Customs and Excise Duties to which it is proposed that additions shall now be made include those on beer, spirits, wines, tobacco and entertainment. On beer, the consumption of which is increasing and upon which some £330,000,000 was spent last year, there is to be an increase in duty equivalent to 2d. a pint on beer of average gravity. This is estimated to bring £42,000,000 this year and £48,000,000 in a full year. The duty on spirits will be increased by £2 per proof gallon, producing £14,000,000 this year and £15,000,000 in the full year. Advances in the duties on wines, the trade in which is at present very restricted, will yield some £2,000,000.

The tobacco duty will be increased by 10s. a pound. Consumption is at present higher than in the year before the war, and the current level of expenditure

is computed to be of the order of £340,000,000 a year. The gross gain to the revenue is put at £90,000,000. All the above increases take effect from April 15.

#### MARGIN OF PREFERENCE ON TOBACCO

The Chancellor announced that he would propose legislation to continue the present margin of preference on sugar and tobacco for a further period. The margins had been substantially at their present level since 1926 and are due to expire in August next. He proposed the continuation of the present margin on sugar for another two years. As regards tobacco, the existing preference was guaranteed to certain Empire Governments in 1932 for a period of ten years and, in view of present conditions, he would propose to continue it until next year. Meanwhile the position will be reviewed in the light of the factors now relevant and particularly of the undertaking given in Schedule 1 to the Trade Agreement with the United States that His Majesty's Government would consider the possibility of reducing the margin of preference when the guaranteed term of ten years expires.

The Chancellor also proposed to double the Purchase Tax applicable to a number of luxuries and non-essential goods, which will have the effect of increasing the rate from  $33\frac{1}{3}$  to  $66\frac{2}{3}$  per cent. The articles affected include such items as silk dresses, silk fabric, fur coats, ornaments, cut glass, hair-waving and hair-drying appliances, electric shavers, leather trunks and bags, musical instruments and gramophone records, gold and silver watches, jewellery, toilet articles, perfumery, and cosmetics. Purchase Tax receipts are expected to benefit to the extent of some £10,000,000. The Chancellor promised, on the other hand, exemption from the Purchase Tax of utility cloth and clothing, the provision of which is now under development and which is subject to price controls at all stages. The same concession is expected to be extended to utility boots and shoes when adequate supplies become available.

The Chancellor said that, when regard is paid to the high level of government expenditure and to the consequent increase in national income, as well as to the unceasing development of restrictions on civilian consumption, he was hopeful that there will be an increase in savings which will reduce the drain on privately owned stocks well below the level of 1941.

#### POST-WAR PROBLEMS

Concerning post-war reconstruction, the authorities are prepared to begin discussions with and to receive suggestions from the trade associations and bodies concerned with a view to making advance preparations for the difficulties lying ahead. The Chancellor said that, provided a prudent policy is pursued, the pent-up demands which would exist at the end of the war could be released at the appropriate rate to provide steady employment at a high level for several years.

The restoration of exports to a high level is, however, a necessary condition of success in these directions. One of the primary objectives of post-war policy must therefore be the greatest possible expansion of international trade. If the difficulties and dangers of the post-war period are to be overcome, the repressed demands must be regulated and not allowed to be dissipated, as after the last war, in the wastage of an inflationary boom. It would be entirely wrong to contemplate that the financial and economic controls which serve the war effort could be suddenly swept away at the conclusion of hostilities. The safeguards against inflation after the war must be even stricter than now, because there might be a natural psychological reaction against the policy, the need of which might not be so readily accepted after the war is finished.



## DEVELOPMENT OF THE AUSTRALIAN ILLAWARRA SHORTHORN

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, April 15, 1942.—Australia has developed two outstanding breeds of live stock. One, already world famous, is its Merino sheep; the other, which may well become equally celebrated because of its great merit is the Australian Illawarra Shorthorn. The latter is a dairy cow of robust frame, although built on traditional milking lines. A cow of this breed—Melba 15 of Darbalara—holds the world's record for butterfat production. In 365 days she produced 1,614 pounds of butterfat, equal to 1,944 pounds of 83 per cent butter, which is the Australian standard.

### ORIGIN OF THE BREED

The origin of the Australian Illawarra Shorthorn (familiarly called the A.I.S.) is, like the origin of most breeds, indefinite, but the breed is recognized as a blended one that had its origin on the fertile flats of Illawarra in the first half of the 19th century.

The first cattle brought to Australia were two bulls and nine cows of the "Cape" breed that were purchased by Governor Phillip at the Cape of Good Hope on his voyage out from England in the "First Fleet" in 1758. Three years later the ss. *Gordon* brought seventeen cows and in 1794 the same vessel carried sixteen cows, all from South Africa. Apparently on one of the *Gordon's* voyages she called at a port in India, for she brought to Australia three Zebu bulls and twenty-three cows of the same breed. Other ships carried cows from Britain to provide milk for the children on board, and these, frequently in calf, were sold on arrival or were taken by the masters of the ships to isolated points off the South Coast and thrown into the sea. Most of these animals managed to reach shore, and in time some sizable herds of wild cattle were to be found along the coast of New South Wales, particularly in the south where conditions were more favourable. Through the process of natural selection, only those animals remained that were best able to exist under Australian conditions.

Most of the cattle brought out for the purpose of providing milk for the children on the ships were Shorthorns, but there were also Ayrshires, Black Polls, Alderneys, Longhorns, and at times some Friesians or, as they were then called, Dutch cattle. There were undoubtedly more Shorthorns than cattle of other breeds.

There was a great deal of indiscriminate breeding, not only among the wild cattle but also in the herds of the settlers. Among the wild cattle this breeding was affected by the introduction of a few beef-type bulls with the object of building up a reserve that could be resorted to in periods of meat shortages in England. The settlers did not operate according to any particular plan in developing their herds; there were no herd books nor any suggestion of keeping them. The settlers were in a new land, working under new conditions, and their attempts to develop new breeds were altogether on an experimental basis.

The Shorthorn was not suited to conditions in the Illawarra district. Crosses were attempted through the introduction of Ayrshire or Ayrshire-Longhorn bulls to increase the dairy quality of specific herds, and when successful the experiments were repeated. A number of settlers with the ability to plan matings that brought outstanding results, quickly acquired reputations as breeders of good cows and desirable bulls, so that they eventually exercised considerable influence on the development of the young country's dairy herds.

### CHARACTERISTICS OF THE NEW BREED

In the course of time a distinctive type of dairy cow was developed, the result of the general demand for one that would produce a heavy yield of milk

with about 4 per cent butter-fat content, that could thrive on the type of pasture available, and that possessed such other desirable characteristics as complacency and good health. A further quality considered essential was that it be capable of conversion into a relatively good beef animal, either when its usefulness for dairy purposes was finished or during years when meat shortages occurred. The animal that has been found to possess these qualities in the highest degree has the following characteristics:—

In general appearance it is a large well refined animal of strong constitution, its dairy quality being indicated by its conformation. It is light in front but increases in depth and width toward the hindquarters, giving the true wedge shape.

Its head is long, the forehead being of medium length. It is wide between the eyes, which are prominent and have a bluish tinge. The muzzle is square and flesh-coloured.



Melba 15th of Darbalara, Holder of the World's Record for Butterfat Production for all Breeds.

The horns are of medium length and are set well apart on the crown of the head, the crown having a slight rise in the centre. The horns are a creamy or waxy colour, are oval-shaped at the base, and taper gradually to the points.

The ears are of medium size, being set on level, with short silky hair and plenty of orange secretion.

The neck is rather long and almost straight from the junction with the skull to the top of the shoulder. It is flat on the sides, with very little loose skin underneath. There is little or no depression behind the shoulder blades at their junction with the body.

The brisket is fairly light and receding, being similar in shape to the bow of a boat and slightly lower than the underline of the body. The vertebrae are prominent. The underline of the body is broad, particularly at the navel and in front of the udder. The udder is large but not pendulous, broad, and firmly attached both back and front.



The quarters are well balanced, with a slight gutter or hollow from the front toward the back of the udder. The teats are brownish in colour, evenly placed on the quarters, hang perpendicularly, and are from  $2\frac{1}{2}$  to 3 inches in length.

The tail is fairly long and tapering and ends with a brush; orange colouring predominates.

The legs are short in proportion to the size of the animal. The front legs are well apart and straight, and the hind legs are also straight, the bone being flat and strong.

The skin is of medium thickness, but is soft and elastic, with an orange tint showing through the hair. The hair is short to medium in length on the body and is of medium texture. The hair on the udder is short and silky. The preferred colours are deep and rich, free from black or brindle markings. The most common colour is red; when white is also present it should be in small patches. Rich roans are also common, although the preference of most breeders is for the darker red. Both the cow and the bull are gentle, good-tempered animals.

#### ORGANIZATION OF BREEDERS

Although only slightly more than 140 years was necessary for the complete development of the breed, it may now be considered a definite type. The performance of Melba 15th in producing 1,614 pounds of butterfat in 365 days, with a milk yield of 32,522.5 (a butterfat average of 5 per cent) was not that of a freak animal. The Australian Illawarra Shorthorn Society now boasts 1,250 members, and the cow is now the most numerous of all species in the Commonwealth, herds in Queensland and other dairying centres being almost invariably built around this breed. While the average production of the registered animals is by no means 1,000 pounds of butterfat, a considerable number have attained that figure; with further refinement the number of such animals may be expected to increase.

Australians are very enthusiastic supporters of the show ring, and this has had much to do with the increase in the breed, since it has advertised the beauty and productivity of its great cows. Those yielding 12,000 pounds of milk and 500 pounds of butterfat a year are common among this breed. In fact there are whole herds yielding up to this standard and some higher, but the majority of breeders are content to have herds that yield 10,000 pounds of milk and 400 pounds of fat per cow. This average is regarded as an economic one, especially since old cows and steers can be fattened into good beef carcasses and bring good prices from the butchers.

#### EXPORTS

The future of the breed seems assured. New Zealand and South Africa have A.I.S. herds and, before the outbreak of war in the East, shipments to Manila and Hongkong were not unusual. Many of the larger islands of the Pacific have their A.I.S. herds as well. As far as is known there are no animals of this breed in Canada. Attempts have been made at various times to ship a few, but so far these have been unsuccessful under the Canadian Health of Animals Regulations. In Australia the breed at one time suffered from pneumonia and, while there has not been a case reported in the State of New South Wales during the past 23 years, it is possible for animals to be carriers although not suffering themselves. This fact and the hitherto difficult task of determining definitely whether or not an animal was a carrier has adversely affected the development of exports. It is stated that veterinary tests can now determine whether or not an animal is a carrier and, if this is so, it is possible that the last obstacle has been removed for those who wish to experiment with this interesting breed in Canada.

## AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner in Melbourne, cabled under date May 19, 1942, regarding the Australian wheat and flour situation, as follows:—

The Minister of Commerce announced on May 15 that wheat delivered to No. 5 Pool (1941-42 harvest) would return to growers approximately 62 cents per bushel on an f.o.b. bagged basis, representing a total payment of approximately \$94,449,476. The guaranteed price under the Wheat Stabilization Plan was equivalent to 67 cents per bushel for a 140,000,000-bushel crop, but to date 153,000,000 bushels have been received by the Wheat Board. Wheat-growers' representatives on consultation agreed that, where the crop exceeded the quantity guaranteed, the total amount of the guarantee should be spread over the whole crop. Should the receipts of the Pool exceed 62 cents a bushel, payments to growers would be increased, but present sales conditions indicate the likelihood of a large carry-over. For the 1942-43 harvest the Federal Government is to consider a new system of payments to provide 70 cents a bushel at country sidings on the first 3,000 bushels. The Minister of Commerce anticipates that the new scheme, while costing the Government less than the present outlay of approximately \$95,000,000 per annum, would result in a more equitable distribution and greater protection to the small wheat-grower. To simplify problems of storage, etc., bulk wheat handling facilities in Australia were recently placed under the control of the Federal Government. There is a limited market for export flour to Food Controllers in Ceylon and Mauritius on the basis of \$35.64 per ton f.o.b. Melbourne in 150-pound sacks. War Office orders are executed on an f.o.b. basis of \$32.38. Moisture conditions for sowing cereal crops are much improved.

## NEW ZEALAND LIVE-STOCK AND MEAT TRADE CONDITIONS IN 1941

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, March 31, 1942.—The latest statistics available show that at January 31, 1941, the number of live stock in New Zealand was greater than at the corresponding date in 1940. The figures are as follows, those for the period ending January 31, 1940, being shown within parentheses: dairy cows in milk, 1,776,765 (1,739,874); sheep and lambs, 31,771,395 (31,062,875); pigs, 766,837 (714,001).

### PRODUCTION

According to the annual report of the New Zealand Meat Producers Board for the twelve months ended June 30, 1941, the results were again excellent both as to production and quality. Total killings for the seasons October 1 to May 31, 1940-41 and 1939-40 are shown in the following table:—

#### *New Zealand Killings of Live Stock*

	1940-41	1939-40
Beef (quarters) .....	550,744	510,493
Wether mutton (c/cs) .....	591,725	1,274,287
Ewe mutton (c/cs) .....	1,479,460	1,841,895
Lamb (c/cs) .....	10,694,447	10,001,149
Pigs (porkers) .....	201,192	86,986
Pigs (baconers) .....	299,558	320,989
Pigs (choppers) .....	10,229	11,083

The returns show that the number of lambs killed exceeded the record total for the 1939-40 season by nearly 700,000; on the other hand, sheep killings were down by more than 1,000,000 head, and they include a smaller number of wethers than for any season during the past 15 years. Killings of pigs increased by nearly 100,000, and beef killings in quarters were about the same as for the previous season, but it is reported that less than half the quantity of boned



beef and veal was handled as compared with the average for the previous three seasons. Meat stocks of all descriptions at May 31, 1941, comprised about 46 per cent of killings as compared with about 26 per cent at the corresponding date in 1940. Indications were, therefore, that at the beginning of the next season, on October 1, there would be a considerable carry-over of frozen meat, estimated at some 110,000 tons.

By September, however, the outlook had improved, a steadily increased movement having been reported since May when stocks totalled more than 180,000 tons. The problem of maintaining shipping facilities was causing grave concern. Surplus storage capacity had been increased to 250,000 tons, and meat canning facilities were expanded. At the end of the season (September 30) the quantity of unshipped meat was 78,000 tons, indicative of a much healthier position than was anticipated two months earlier. General satisfaction resulted from the preliminary announcement of the Meat Purchase Agreement with Great Britain, whereby the Mother Country agreed to take a maximum quantity of 275,000 tons of meat in the coming season. This figure compares with 248,000 tons stipulated early in the year and 300,000 tons contracted for in 1939-40; 350,000 tons were actually shipped in that season. It is estimated that more than 248,000 tons were supplied during the season ended September 30, 1941.

### STOCKS ON HAND

As previously mentioned, the present export season began with a carry-over of 78,000 tons. The difficulties of disposing of meat were increased by the fact that the record lambing estimate of 18,250,000 for the current season exceeds last season's estimate by 250,000. No estimates are available for production of pigs and cattle. By the middle of December, stocks of meat of all descriptions, including the carry-over from last season, were equal to about 240 per cent of killings as compared with 65 per cent at the same time last year. The latest information is that on February 15 last the killings of sheep and lambs at all works totalled 240,000 head more than at the same time last year, but since the beginning of the year the tallies have been less than for last season by 85,000 sheep and 400,000 lambs. Pig killings remain about the same, and cattle killings are 25 per cent less than for the corresponding period of last season. Stocks of meat now amount to about 89 per cent of killings as compared with about 70 per cent at this time last year.

### PRICES

Following is a table of prices realized for fat stock by the largest freezing company in New Zealand on March 26:—

#### *New Zealand Prices of Live Stock*

	New Zealand Currency Per 100 Lbs.		Equivalent in Canadian Currency Per 100 Lbs.	
<b>Beef</b>				
Extra choice ox .....		38s.		\$ 6.84
Choice and prime ox .....	35s.	to 37s.	\$ 6.30 to	6.66
Choice and prime cow and heifer .....	29s.	to 33s.	5.22 to	5.94
Boner and rough .....	21s.	to 23s.	3.78 to	4.14
<b>Sheep</b>		Per Head		Per Head
Prime wethers .....	25s. 6d.	to 31s. 9d.	\$ 4.59 to	\$ 5.71
Unfinished wethers .....	21s.	to 24s.	3.78 to	4.32
Prime ewes .....	11s.	to 15s. 3d.	1.98 to	2.74
Unfinished ewes .....	5s.	to 10s. 6d.	0.90 to	1.89
Prime lambs .....	18s.	to 29s. 6d.	3.24 to	5.31
Unfinished lambs .....	10s. 6d.	to 16s.	1.89 to	2.88
<b>Calves</b>				
Runners .....	100s.	to 200s.	18.00 to	36.00
Vealers .....	20s.	to 120s.	3.60 to	21.60
<b>Pigs</b>				
Baconers .....	70s.	to 88s.	12.60 to	15.84
Porkers .....	40s.	to 63s.	7.20 to	11.34
Weaners .....	2s.	to 4s.	0.36 to	0.72
Slips .....	6s.	to 9s.	1.08 to	1.62

## PRODUCTION PROSPECTS

New Zealand's present program of primary production has during the past year been altered to meet the requirements of the United Kingdom, which, on account of the serious shipping situation brought about by a shortage of refrigerator space, has been forced to provision itself accordingly. This has meant an increase in purchases of New Zealand cheese at the expense of butter and meat. Although the United Kingdom, by the recent primary produce purchase agreement, has undertaken to share the financing of the difference between the volume lifted and the quantity contracted for, it is obvious that there should be no program of increased production of meat. It is further realized that the long-term interests of New Zealand would be better served by a reduction in the production of both meat and butter. That is the objective to-day.

According to the latest estimates, however, New Zealand will produce this season a total quantity of export frozen meat in excess of the total contract figure (275,000 tons), leaving a considerable surplus at September 30 next to carry over into the next season.

A strike by 2,300 men of the Auckland freezing works between March 12 and 25 of this year seriously interfered with output. Unless further trouble in this respect is experienced, however, it is not likely that the estimates given above will be materially affected.

## MEAT AGREEMENT WITH GREAT BRITAIN

The Meat Purchase Agreement is summarized in the following statement recently made by the Minister of Marketing:—

1. The production objective for export meat products to the United Kingdom for the present season and for the duration of the war and one year thereafter is placed at 275,000 tons of meat. This figure includes all frozen meats and canned meat at the equivalent of the frozen weight. The term "production objective" is meant to cover the expected wartime requirements of the United Kingdom Government for the export of meat from New Zealand, and it is toward this production objective that the United Kingdom wishes the export meat industry of the Dominion to be organized. It is based on the average pre-war production of export meat from New Zealand, and it therefore means that the United Kingdom Government wishes the meat industry of the Dominion to maintain stability on the basis of the average pre-war production.

2. It will be the endeavour of the United Kingdom Government to lift and purchase this quantity of 275,000 tons of meat during this year and subsequent years, and on the other hand it must be the endeavour of the New Zealand meat industry to reduce the meat products available for export to the United Kingdom to a quantity not in excess of 275,000 tons. The United Kingdom Government has made it quite clear that under this agreement any production of meat suitable for export in excess of 275,000 tons is entirely New Zealand's responsibility.

3. Although the United Kingdom Government will make every endeavour to lift this quantity of 275,000 tons, the quantity purchased will be that actually lifted. In accordance with the general surpluses agreement, the responsibility for the balance between the quantity actually lifted and the figure of 275,000 tons will be shared equally between the United Kingdom and New Zealand Governments in terms of the surpluses agreement.

4. The United Kingdom Government has indicated that the surpluses agreement will operate only in respect of the export production commencing with this present season. This means, therefore, that the carry-over of 78,000 tons from last season is outside the agreement and at present is the entire responsibility of the New Zealand Government. The Government is asking for more favourable consideration in this respect, but at present we have received no indication of change in the viewpoint of the United Kingdom Government.

The Minister stated further that after both the Meat Board and the Government had made very careful assessments it was revealed that the probable amount of meat available for export this year would be not less than, and might exceed 350,000 tons. Even by trimming and boning wherever possible and by canning the whole of the available boneless beef and ewe mutton, it would still be approximately 40,000 tons in excess of the production objective, and this quantity would automatically become the responsibility of the New Zealand Government.



## CANADA'S DOMESTIC EXPORTS IN APRIL

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of April and the four months ending April, 1942 and 1941:—

*Canada's Exports by Principal Countries*

Countries	Month of April		Four Months ended April	
	1941	1942	1941	1942
	Thousands of Dollars			
All countries .....	116,932	168,350	405,369	660,870
Empire countries .....	67,881	84,779	234,193	337,752
British East Africa .....	243	114	2,247	234
British South Africa .....	2,132	1,761	10,998	7,071
Southern Rhodesia .....	122	56	831	415
British West Africa .....	34	294	456	1,025
Bermuda .....	190	296	565	910
British India .....	1,508	9,024	8,998	36,532
Ceylon .....	17	191	130	295
British Guiana .....	348	591	1,190	1,924
Barbados .....	190	307	521	832
Jamaica .....	608	704	2,010	2,495
Trinidad and Tobago .....	779	1,647	2,793	5,179
British West Indies, other .....	263	414	869	1,264
Newfoundland .....	1,020	2,129	3,161	9,278
Australia .....	3,083	4,724	8,398	15,930
Fiji .....	19	81	149	128
New Zealand .....	816	2,968	3,118	5,191
Palestine .....	155	...	281	48
Eire .....	32	313	871	537
United Kingdom .....	55,017	59,147	182,025	244,762
Foreign countries .....	49,051	83,571	171,176	323,118
United States .....	42,401	62,655	148,948	231,786
Argentina .....	541	432	1,995	2,137
Bolivia .....	23	13	97	120
Brazil .....	698	231	2,410	1,896
Chile .....	170	62	402	655
China .....	694	1,140	2,742	2,370
Colombia .....	108	130	475	559
Costa Rica .....	26	13	74	109
Cuba .....	198	73	686	859
Ecuador .....	7	31	41	121
Egypt .....	2,346	13,359	5,556	53,379
French Possessions .....	23	33	223	530
Guatemala .....	20	20	72	88
Haiti .....	7	37	41	106
Honduras .....	19	11	77	82
Iceland .....	58	25	240	368
Iraq .....	9	228	20	6,109
Mexico .....	277	325	1,224	1,992
Netherlands West Indies .....	29	36	106	498
Nicaragua .....	20	27	60	85
Panama .....	47	127	183	378
Paraguay .....	...	...	2	...
Peru .....	76	64	349	537
Portugal .....	37	6	141	164
Portuguese Africa .....	41	6	288	68
Russia .....	...	3,488	2	13,697
Salvador .....	20	37	62	95
San Domingo .....	16	9	75	83
Spain .....	6	...	186	...
Switzerland .....	110	584	475	1,279
Hawaii .....	23	30	205	68
Puerto Rico .....	66	86	215	416
Uruguay .....	74	10	157	261
Venezuela .....	129	44	441	487

*Canada's Exports by Principal Commodities*

	April, 1941 Thousands of Dollars	April, 1942
Total domestic exports .....	116,932	168,350
Agricultural products (total) .....	24,792	22,245
Fruits .....	194	148
Vegetables .....	226	452
Grains (total) .....	17,935	12,402
Barley .....	57	95
Wheat .....	17,393	12,243
Wheat flour .....	3,047	4,771
Alcoholic beverages .....	606	1,568
Seeds .....	287	256
Animal products (total) .....	14,912	17,321
Cattle (except for stock) .....	1,061	3,755
Fishery products .....	2,507	2,900
Furs (chiefly raw) .....	993	2,054
Hides, raw .....	500	117
Leather, unmanufactured .....	365	421
Leather, manufactured .....	123	372
Meats .....	7,926	5,858
Butter .....	20	30
Cheese .....	154	414
Eggs .....	139	433
Fibres and textiles (total) .....	2,003	3,583
Cotton .....	977	1,294
Flax .....	142	240
Silk (chiefly stockings) .....	260	59
Wool .....	78	403
Artificial silk .....	175	395
Wood and paper (total) .....	28,400	29,582
Planks and boards .....	4,465	5,253
Timber, square .....	47	22
Shingles, red cedar .....	716	1,096
Pulpwood .....	452	469
Wood-pulp .....	6,820	8,199
Paper, newsprint .....	13,019	10,702
Iron and products (total) .....	15,165	30,180
Pigs, ingots, etc. ....	1,554	1,092
Rolling mill products .....	205	135
Tubes and pipes .....	438	117
Farm implements .....	1,347	1,212
Hardware and cutlery .....	229	298
Machinery, other than farm .....	1,542	1,016
Automobiles and parts .....	8,766	14,524
Non-ferrous metals (excluding gold) .....	18,661	24,868
Non-metallic minerals (total) .....	3,223	3,831
Coal .....	111	166
Petroleum .....	264	24
Stone .....	1,102	1,560
Chemicals (total) .....	3,032	5,531
Acids .....	219	188
Fertilizers .....	699	751
Soda compounds .....	463	546
Miscellaneous (total) .....	6,744	31,209
Electrical energy .....	587	660
Films .....	163	94

**FISH MARKETS IN THE DOMINICAN REPUBLIC**

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(Values are in Dominican dollars, equivalent to the United States dollar: one kilogram equals 2.2 pounds.)

Havana, April 10, 1942.—There is a moderately valuable market in the Dominican Republic for dried salt and smoked fish of various kinds, and a very limited market for pickled and canned fish. The entire population of the Republic is about 1,500,000, and the purchasing power is not high. Nevertheless, dried salt fish and, to a lesser extent, smoked fish have always been moderately important items in the diet of the people, and the trade in these commodities constitutes a noteworthy percentage of the total annual food imports of the country.



The level of purchasing power in the Republic, as in Cuba, depends to a great extent on the sugar crop. Because of the over-production of this commodity since the 1929 depression in almost all the sugar-producing countries of the world, output in the Dominican Republic was curtailed and, in addition, the average selling price over a period of years was very close to the cost of production. At no time has the Republic had a preferred market in which to sell its product. It has always had to find an outlet in what is called the "world" market. Cuba had an assured market in the United States, as had the British West Indies in the United Kingdom and Canada, the French Islands in France, and the Dutch East Indies in Holland. Alone among the countries of the entire Caribbean area—with the exception of Haiti, in which the sugar industry is not important—the Dominican Republic has had to take the lowest prevailing world price at all times for its sugar crop. As a result, economic conditions over the past ten or twelve years have been seriously depressed, and consequently the purchasing power of the people has been commensurately low.

This situation prevailed until the middle of 1941, when shipping shortage greatly curtailed the supplies of sugar immediately available in the main consuming countries. It was found possible from then onward to dispose gradually of the surplus which had accumulated in the country. Practically unlimited production was decreed for the 1942 crop, the whole of which was sold to the British Government. The price agreed upon, f.o.b. Dominican ports, was to be the equivalent of that paid to Cuba by the United States, which is \$2.65 per 100 pounds f.o.b. Cuban ports. Accordingly, for the first time in many years an assured market has been found for the entire sugar crop at an assured remunerative price. The present outlook is that these sales agreements will be renewed from year to year for at least the duration of the war. As a consequence the purchasing power of the Republic is likely to experience an appreciable increase during the same period.

#### TRADE TREATIES AND CUSTOMS DUTIES

The customs duty on imports into the Dominican Republic of dried salted or smoked fish of all kinds is \$2.25 per 100 kilograms (220 pounds) net weight; on fish in brine or otherwise pickled it is \$2 per 100 kilograms gross weight. However, in addition to these basic duties, Internal Revenue taxes, established in 1935, are levied upon imports of these types of fish. These to all intents and purposes are additional duties. For all types of dried salted and smoked fish this tax amounts to \$0.05 per kilogram net, and for fish in brine or pickled it is \$0.04 per kilogram gross. A most-favoured-nation treaty with the United States has been in force since 1916. The Franco-Dominican Republic trade treaty went into force in 1936; it was suspended in December, 1939. This treaty provided for exemption from the Internal Revenue tax of dried codfish, automatically accorded to the United States.

On March 8, 1940, Canada signed a most-favoured-nation treaty with the Republic, which exempted dried salt pollock, hake and cusk and all smoked and pickled fish from their respective Internal Revenue taxes. On March 16 a similar most-favoured-nation treaty was signed with Newfoundland, which exempted codfish in all forms, including canned, from payment of this tax.

The present position, therefore, is that imports of all types of fish from all countries except the United States, Newfoundland and Canada, are subject to both the basic duty and the Internal Revenue tax. These three countries are exempt from the Internal Revenue tax on dried salt codfish, pollock, hake and cusk and on all smoked and all pickled fish. No mention was made in either treaty of dried salt haddock, and accordingly this type of fish is subject to the Internal Revenue tax. However, in actual practice no apparent effort is made to distinguish between haddock and the other types of dried salt fish when clearing it through the Customs, and accordingly it is usually cleared without the payment of the Internal Revenue tax.

The basic duty rates on canned fish are as follows:—

	Per Kilo Net Weight
Codfish, herring and mackerel .....	\$0.04
Salmon and tunny fish .....	0.03
Sardines .....	0.05
Anchovies and anchovy paste .....	0.25
Fish pastes, caviar and fish roll .....	0.25
Other preserved fish and shellfish .....	0.10

In addition to the above basic duties, the Internal Revenue tax for each item is \$0.10 per kilogram net weight.

There are no exemptions by treaty from payment of this tax on any of the above items, except canned codfish, which would be of any interest to Canadian exporters.

#### DRIED SALT FISH

The dried salt group is by far the most important of the classes entering this country's fish import trade. Generally speaking, the types in demand in the Republic are very similar to those sold in the Santiago de Cuba market. The hard, dry cure of Norway and Iceland is not a factor in the fish trade of this country; importers continue to prefer the types produced in Canada and Newfoundland. These are usually confined to three grades as follows: large or prime, medium, and small. Much the greater volume of sales is in the medium grade.

There is a peculiar division of popularity of the various types of dried salt fish in the main sections of the Republic. Codfish is, of course, well favoured and is in demand throughout the whole area, but the sales of haddock, a type which is more or less interchangeable in demand with codfish, are confined chiefly to the capital, Ciudad Trujillo, and the adjacent area. In the eastern part of the Republic, including the towns of San Pedro de Macoris and La Romana, and the surrounding and intervening country, pollock is mainly used. In Puerto Plata, in the north, mainly codfish and haddock and occasionally a small amount of hake is sold. In the western and northwestern sections, including Santiago de los Caballeros and La Vega, hake is consumed almost exclusively.

Packing is usually in 128-pound drums net weight, although some drums of 224 pounds net are used for medium and small codfish. The 45-kilogram or 100-pound net case is not particularly favoured by importers.

The following table shows the imports by countries of origin for the years 1937 to 1940, the latest for which statistics are available:—

#### *Dominican Republic Imports of Codfish and All Other Salted or Dry Fish*

	1937	1938	1939	1940
Canada .....	Kg. 244,559	89,432	34,888	397,623
	\$ 20,294	7,272	2,067	41,850
Newfoundland and Labrador .....	Kg. 13,064	.....	.....	346,940
	\$ 1,256	.....	.....	30,920
United States .....	Kg. 516,939	527,354	663,535	264,789
	\$ 62,030	64,741	73,648	26,790
St. Pierre, Miquelon, Langley, etc. ....	Kg. 205,874	485,587	272,892	92,429
	\$ 19,571	51,870	27,105	9,442
France .....	Kg. 215,958	199,313	494,675	34,836
	\$ 27,397	23,725	55,307	3,062
French Antilles .....	Kg. ....	.....	15,337	.....
	\$ ....	.....	1,506	.....
Norway .....	Kg. ....	.....	15,514	.....
	\$ ....	.....	914	.....
United States Virgin Islands .....	Kg. ....	.....	7,432	.....
	\$ ....	.....	813	.....
Other countries .....	Kg. 258	201	214	165
	\$ 63	55	91	77
Total weight .....	Kg. 1,196,652	1,301,944	1,504,487	1,136,782
Total value .....	\$ 130,611	147,679	161,451	112,141

The signing in 1940 of the trade agreements with Canada and Newfoundland, previously mentioned, completely altered the trend of the Republic's dried



fish imports. Previous to September 4, 1936, when the treaty with France went into effect, Canada had been the principal supplier of dried salt fish. The exemption from the Internal Revenue tax of French dried salt codfish at that time almost completely diverted the trade in this commodity to the French Islands of St. Pierre and Miquelon, to France and to the United States, which were accorded the same concessions. This change in movement is readily apparent from the foregoing figures of imports. By the year 1939 neither Canada nor Newfoundland found it possible to compete, except to a negligible extent, in either codfish or scale-fish against these countries whose codfish by treaty was exempt from the Internal Revenue tax of \$0.05 per kilogram.

However, with the suspension of the French treaty in December, 1939, and the signing of the treaties with Canada and Newfoundland in 1940, there was a complete change in favour of Canada and Newfoundland and to the detriment of France and its colonies. Imports from the United States in 1940 also fell off heavily, although there was no change in the tariff treatment accorded its dried salt fish. The loss of trade in the period immediately preceding 1940, as shown in the foregoing table, is therefore to a certain extent statistical only, although there actually was a comparatively large reduction in Canada's sales of dried salt fish during that period. These were almost wholly scale-fish, as Canadian cod could not compete against the cheaper cod from Newfoundland. The latter country's share of the imports is entirely in codfish.

Although Canada's share of the trade in 1940 increased greatly, the total imports into the Republic were down considerably from the figure for the preceding year. The exceptionally depressed conditions that prevailed in 1940 in all countries in the Caribbean area were responsible for this relatively large reduction in total imports. The falling-off in sales was almost wholly due to decreased purchasing power, because of the loss of markets in Europe brought about by the war, and to the slowly rising level of fish prices. The figures for 1941, when published, are not likely to show much improvement over those for 1940, since it was not until at least the middle of the year that any particular betterment in conditions occurred, and it was well on towards the end of the year before such betterment was translated into increased imports.

#### HERRING AND OTHER SMOKED FISH

Smoked herring of the bloater type accounts for practically the whole of this section of the fish imports. Trade in any other type of smoked fish, such as kippers, kipper fillets or salmon, is negligible. The following table shows the amounts and values of the imports by countries of origin for the calendar years 1937 to 1940:—

##### *Dominican Republic Imports of Herring and Other Smoked Fish*

	1937	1938	1939	1940
Canada .....	Kg. 663,666	352,315	278,522	465,952
	\$ 43,469	23,443	17,641	33,837
United States .....	Kg. 38,082	37,580	14,635	55,822
	\$ 3,619	4,084	1,225	3,872
Norway .....	Kg. 105,805	207,035	316,306	12,244
	\$ 7,824	15,829	18,663	777
France .....	Kg. ....	....	17,418	....
	\$ ....	....	1,650	....
St. Pierre, Miquelon, Langley, etc. ....	Kg. ....	27,007	8,165	....
	\$ ....	2,796	490	....
Madagascar .....	Kg. ....	....	4,082	....
	\$ ....	....	224	....
United States Virgin Islands .....	Kg. ....	....	454	....
	\$ ....	....	105	....
Switzerland .....	Kg. ....	....	1	....
	\$ ....	....	3	....
Total weight .....	Kg. 807,553	623,937	639,583	534,018
Total value .....	\$ 54,912	46,152	40,001	38,486

Up to some five or six years ago Canada was the principal supplier of bloaters to this country. Both the Grand Manan and the Magdalen industries contributed to this trade. However, around 1935 Norway began to compete much more successfully in a declining market, and from then on, until the Canadian-Dominican Republic treaty was signed, made impressive headway in the bloater trade against Canadian suppliers. This treaty, however, since it exempted Canadian bloaters from the Internal Revenue tax of 5 cents per kilogram net, almost wholly eliminated Norwegian competition. There is no doubt that it was this treaty and not war conditions that shut off Norway's bloater trade with the Republic, since that country continued to ship fish to its customary Caribbean markets during the greater part of 1940.

Through its most-favoured-nation treaty with the Republic, the United States also obtained exemption from the Internal Revenue tax on this item and increased its sales to a certain extent. However, most of the bloater shipments from the United States are the result of the activities either of branches in Maine of Canadian smokeries or of companies allied with them.

The exemption, through the Canadian treaty in March, 1940, of bloaters from the Internal Revenue tax which had been levied on them during the previous five years was expected to increase considerably the consumption of this type of fish. Such increase, however, did not take place, there being in fact a small decrease as compared with consumption in the previous year. The depressed economic conditions, previously referred to, were entirely responsible for this falling-off in imports, as such conditions adversely affected the purchasing power of the cane-field workers, who are the main consumers of this type of fish.

Although the statistics for 1941 will not be available for several months, it is not expected that they will show any appreciable increase in bloater imports. Conditions during the first half of 1941 showed little change from those in the previous year and, when the betterment in the sugar situation occurred late in 1941, the corresponding increase in purchasing power was almost entirely offset by the heavy successive increases in the price of bloaters from October onward.

Conditions in the Republic at the present time, and probably for the duration of the war, would favour a considerable increase in bloater imports had prices remained more or less at the level of September, 1941. However, they have more than doubled, and in the opinion of importers, the price factor will greatly restrict bloater sales. This fact, however, should not be given too much weight by exporters as long as the supplies of bloaters do not begin to accumulate to a volume in excess of the overseas demand.

#### PICKLED FISH

The import trade in pickled fish is of little or no importance, as is shown by the following table:—

##### *Dominican Republic Imports of Pickled Fish*

	1937	1938	1939	1940
United States .....Kg.	2,173	15,065	12,196	3,369
\$	161	1,496	1,063	358
Canada .....Kg.	1,066	....	....	5,646
\$	38	....	....	162
Other countries .....Kg.	326	48	54	68
\$	27	10	12	18
Total weight .....Kg.	3,565	15,113	12,250	9,083
Total value .....\$	226	1,506	1,075	538

Most of the limited volume of imports shown above are of pickled herring, although they also include a small amount of pickled mackerel. The herring is mostly packed in brine or marinated in barrels or tubs, and is mainly for the Jewish and Polish trade. Imports of this item from Canada, the United States and Newfoundland are exempt from the Internal Revenue tax of 4 cents per kilogram gross. Because of the extremely small demand for this type of



cure, very little expansion is expected in this trade. However, in 1941 several Jewish farming colonies were established in the northern parts of the Republic, and it may be that this will tend to increase the sales possibilities for this type of fish.

### CANNED FISH

Because of its high landed cost, almost all kinds of canned fish products must be termed luxury articles. The combined basic duties and Internal Revenue tax tend to keep canned fish out of the reach of almost the whole of the population. It is only in years of considerable prosperity that canned fish sales reach any worthwhile figure, and in times of depression they are one of the very first items to suffer in sales volume.

The following table gives the imports from the main supplying countries for the years 1937 to 1940:—

#### *Dominican Republic Imports of Canned Fish*

	1937	1938	1939	1940
United States .....	Kg. 102,819	118,447	198,498	19,207
	\$ 20,910	21,838	33,491	5,001
Japan .....	Kg. 11,506	36	51	17,733
	\$ 1,276	30	35	2,523
Italy .....	Kg. 291	483	560	446
	\$ 204	308	484	517
Portugal .....	Kg. 11	9	2,836	537
	\$ 3	6	888	319
France .....	Kg. 1,584	3,936	564	307
	\$ 1,371	2,111	389	220
French Africa .....	Kg. ....	1,231	12,356	8
	\$ ....	345	2,247	6
United States Virgin Islands .....	Kg. ....	....	3,043	....
	\$ ....	....	608	....
Spain .....	Kg. 2,294	8	9	160
	\$ 946	12	15	70
Other countries .....	Kg. 1,995	977	133	239
	\$ 519	290	154	76
Total weight .....	Kg. 120,500	124,127	218,051	38,637
Total value .....	\$ 25,219	24,940	38,313	8,732

Of all the types of fish in airtight containers, only canned codfish is exempt from the Internal Revenue tax. However, this provision in the trade treaty with Newfoundland has had no important effect as yet, since the sales of canned codfish in the Republic are negligible. Much the greater part of the total imports is made up of canned sardines, either of the Mediterranean type or of what is known as the Californian sardine. The latter, of course, is a pilchard and more nearly resembles canned herring in size and style of pack than the small fish usually described by the term "sardine", whether the young of the pilchard or of the herring.

The United States has always been the principal supplier of canned fish. Californian sardines, which make up the bulk of that country's shipments to the Republic, are usually packed in 15-ounce oval tins, but some brands are available in smaller sizes, 8 ounces and 10 ounces, in both square and tall tins. In addition some Maine exporters pack the usual small Bay-of-Fundy type of sardine in the 3½-ounce Dingley quarter, in olive oil, cottonseed and peanut oils or the so-called salad oil. Small amounts of chum salmon also figure in the total.

The trade of the Mediterranean countries—Italy, Portugal, Spain, France, and French Africa (chiefly French Morocco)—is almost wholly in the common type of sardine (the young of the pilchard) packed in olive oil. Japan's main contribution is divided between cheap salmon and crab meat.

In addition to these principal canned items, there are small imports of other types such as anchovies, shrimps, the higher grades of salmon, squid or cuttlefish, fish pastes, and one or two other items prepared specially for the Spanish taste.

Canada does not appear as a supplier in the foregoing table, but will be listed from 1941 onwards, as sardine-packers in the Bay of Fundy have in recent months been developing a small but steady trade in this market. This could be increased considerably if greater supplies were available.

## ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### III. Manufacturing Industries

Argentina is generally described as an agricultural country. Although agricultural and pastoral industries supply normally more than 90 per cent of all the products exported, only 26 per cent of the population of approximately 13,318,000 is engaged directly in agriculture, 74 per cent living in urban areas. The comparatively small rural population in proportion to the volume of agricultural production is accounted for by the fact that agricultural operations are on a large scale, being extensive rather than intensive. There are virtually no small independent owners of land in Argentina as in Canada.

There are no export markets for goods manufactured in Argentina except in the border countries—Bolivia, Paraguay and, to some extent, Uruguay—although since the outbreak of war there has been an expansion of the markets in some of the other Latin American countries and in South Africa. Nevertheless, manufacturing has been developed essentially as a domestic industry catering to the home market.

The Argentine Government has encouraged the development of local industries by affording tariff protection for their products, and the import control system has been operated to the advantage of local industry by excluding competitive imported articles. In addition, the manufacturing industries enjoy certain advantages. Wages are low as compared with wage rates in North America, but, on the other hand, the staple foods of the workers, particularly meat, the main item, are cheap. The climate is mild in winter as compared with Canada, so that provision of fuel, housing and clothing is not as great a problem. The industrial employees, who are efficient workmen, are largely immigrants or sons of immigrants from Spain, Italy and Continental Europe. The high duties applicable to motor cars and parts, place automobiles beyond the reach of wage-earners. It is of advantage to the local manufacturer that the urban population is concentrated in a few large centres, the majority of the manufacturing industries being located in the Buenos Aires area, where there is an urban population of nearly 3,300,000, including those living in the suburbs. The city of Rosario, with nearly another 1,000,000 population, is within easy rail or trucking distance of Buenos Aires.

### PROBLEMS AFFECTING INDUSTRY

The principal problems affecting industry arise from the necessity of importing fuel and many of the essential raw materials. Argentina has to import all her coal requirements and approximately one-third of her oil. None of the fuel requirements in the main centres are supplied by hydro-electric power. Argentina must import practically all metals, including iron and steel. Lead is the important locally produced metal among those consumed in the domestic industry. Tinplate is imported for the canning industries. For the textile industries Argentina produces her own cotton fibre and wool. Although an exporter of these two raw materials, this country must import her requirements in rayon pulp. There are virtually no imports of wearing apparel, production of which is highly developed in Argentina. Woollen, cotton and other piece-goods are important items of importation to supplement domestic production, textile piece-goods representing 20 per cent of all imports into Argentina. Brazil and the United Kingdom are now the principal suppliers. Jute is imported from India for making grain bags. All leather goods, including boots and shoes of both leather and rubber, are manufactured locally.

In building materials Argentina imports all her requirements in softwood lumber. Only hardwoods, such as quebracho, which is used for railway ties,



paving blocks and domestic firewood, are available locally. Other hardwoods are used for flooring. Portland cement is produced, but white cement is imported. Round iron bars are imported, but there is also some local fabrication. Asbestos fibre is obtained from Canada to make asbestos sheets and piping.

Argentina imports most of her farm implements. Automotive products are also purchased abroad, although the assembling is largely done locally, as is most of the body-work for trucks and buses. Motor cars are now rationed. Argentina produces her own tires and her requirements in most other rubber manufactures. Rubber tires are now subject to rationing regulations. The Far East supplied 92 per cent and Brazil 8 per cent of the crude rubber purchased by Argentina in 1940. The current consumption of crude rubber has been at the rate of 10,450 tons annually, including 7,150 tons for tires and tubes, 825 tons for footwear, and 2,475 tons for miscellaneous rubber manufactures. Imports totalled 12,867 tons in 1941, of which Brazil supplied more than 3,000 tons.

Electric refrigerators are made locally with the addition of certain imported parts. In fact the manufacture of almost every item in this general group must include some Argentine workmanship, if possible, in order to compete on the domestic market.

The country is practically self-sufficient in foodstuffs, and the staple items are generally available at comparatively low prices. Bananas and coffee are imported, but sugar is produced locally. Scotch whisky is imported from Great Britain, but wines, gin and most other beverages are produced in the country. The breweries use malt from Argentine barley, although hops are imported. Argentina does not require to purchase many items of foodstuffs from abroad in order to enjoy a varied diet, since the country lies within both the temperate and sub-tropical zones.

Building construction is entirely of locally manufactured cement and brick. Only reinforcing steel and lumber for concrete forms have to be imported from abroad. Structural steel is imported, but most construction is of reinforced concrete. Workmen's houses are universally of one-story, and are built of common brick covered with plaster and without foundation or cellar. There is no provision for heating. Thus, the minimum wants of the industrial workers and the simpler amenities of life are supplied almost entirely from domestic sources.

#### IMPORTS OF ESSENTIAL COMMODITIES

The following table, showing imports of certain essential materials, is indicative of Argentine needs and recent trends in consumption:—

##### *Argentine Imports of Essential Commodities*

	1938	1939	1940	1941
		Figures in Short Tons		
Coal . . . . .	3,066.016	3,217,285	2,224.929	1,113,606
Coke . . . . .	41.025	41.967	32.996	12,420
Crude oil . . . . .	729.809	749,310	562.781	544,684
Fuel oil . . . . .	1,181.781	1,083.079	1,143.026	1,163,209
Diesel oil . . . . .	371.310	338.186	228.978	250,944
Gas oil . . . . .	19.842	45.618	170.383	42,384
Crude rubber . . . . .	8,553	10 675	10.217	12,867
Asbestos fibre . . . . .	1.211	3.140	3.657	4,976
Newsprint . . . . .	139.250	160.810	139.201	148,432
Wood-pulp for paper . . . . .	42,156	52.176	37,184	44,024
Wood-pulp for rayon . . . . .	219	1.915	1.794	4,291
Jute . . . . .	104.293	74 539	69,552	65,101
Sulphur . . . . .	19.279	29.226	30,777	23,991
White cement . . . . .	8,494	12,239	7,229	14,111
		Figures in M Feet B.M.		
Lumber—				
Brazilian pine . . . . .	106.574	143.872	109.041	152,930
Pitch pine . . . . .	70.127	65.800	47.296	26,581
Douglas fir . . . . .	27,847	37,071	25,264	27,827

	1938	1939 Figures in Short Tons	1940	1941
Copper, electrolytic . . . . .	4,788	4,814	6,306	7,406
Copper, ingots and sheets . . . . .	1,328	1,898	1,254	219
Tinplate . . . . .	61,479	75,475	99,735	92,538
Rolling-mill products—				
Pig iron . . . . .	31,059	61,362	30,997	30,933
Iron, unworked . . . . .	13,632	9,902	11,974	5,959
Railway rails . . . . .	26,503	18,138	5,552	1,791
Steel bars, round . . . . .	197,855	190,902	186,146	68,804
Steel sheets . . . . .	93,966	120,277	126,719	73,413
Axles . . . . .	18,988	24,815	27,493	19,313
Steel T and shapes . . . . .	52,191	53,886	38,669	19,163
Steel beams . . . . .	10,193	16,093	4,874	675
Steel wire . . . . .	64,397	65,084	48,641	60,630
Industrial chemicals—				
Sodium carbonate . . . . .	24,570	42,783	35,366	30,149
Caustic soda . . . . .	19,952	27,503	22,246	16,579
Zinc oxide . . . . .	3,355	2,277	1,712	631
Rosin . . . . .	13,579	17,595	8,573	16,896
Red iron oxide . . . . .	1,483	1,110	2,079	1,389
Live-stock dips . . . . .	9,408	10,488	12,977	10,592
Dextrine . . . . .	1,027	1,210	634	69
Boiler compound . . . . .	959	891	890	1,110
Calcium carbide . . . . .	8,544	8,209	10,733	8,250
Barium, impure . . . . .	5,633	5,678	6,037	2,166
Aluminium sulphate . . . . .	3,786	6,403	3,645	1,443
Copper sulphate . . . . .	1,917	2,538	974	n.a.
Calcium chloride . . . . .	5,269	7,495	5,931	5,967
Salitre, natural . . . . .	3,053	3,273	1,655	n.a.
Other industrials . . . . .	38,251	42,235	39,414	n.a.

A great impetus was given the industrial development of Argentina during and following the 1930-33 crisis. As there were few markets for its agricultural products, the country could not afford to buy all that was needed in manufactured goods from abroad. The present import control system, which was established in 1933, has been one of the principal means of affording protection to domestic industry. One of the main bases for determining whether an import permit should be granted or withheld has been the possibility of obtaining the required goods from local sources. One foreign exporter after another with established connections in this market was compelled to choose between manufacturing or assembling his products in Argentina and losing his place in the market. Since the outbreak of war this development has been given a new and greater impetus, due to the shortage of imported goods and the lack of sufficient foreign exchange to pay for those available from abroad and needed in Argentina.

#### INDICES OF INDUSTRIAL EMPLOYMENT

The following table shows the number of industrial workers, exclusive of those on salary, employed in the various local industries that report to the Argentine Government; the largest employers in the food group are the meat-packing plants:—

#### *Number of Industrial Workers Employed in Argentina*

Industries	1935	1937	1939	1941
Foods . . . . .	108,378	120,143	127,538	150,430
Textiles . . . . .	77,293	91,367	96,157	109,520
Forestry . . . . .	30,910	37,380	41,490	*
Paper and products . . . . .	6,843	8,961	9,507	11,180
Printing . . . . .	20,181	23,591	24,195	*
Chemical . . . . .	12,644	16,693	17,770	19,170
Fuel, including oil . . . . .	4,032	3,525	4,334	*
Rubber manufacture . . . . .	3,145	5,727	6,407	8,039
Leather . . . . .	18,009	19,275	20,571	23,330
Construction materials, glass . . . . .	17,602	23,328	26,251	26,810
Metals and manufactures . . . . .	39,020	48,490	52,053	55,900
Machinery and vehicles . . . . .	46,734	59,521	65,095	65,130
Electric power . . . . .	9,744	11,486	11,982	*
Building trades . . . . .	31,570	52,718	47,871	*
Mining . . . . .	11,655	13,630	16,092	18,700
Various . . . . .	34,314	44,569	51,479	*
Total . . . . .	472,074	580,404	618,792	690,680

\* Figures not available.



The Argentine Government publishes a table each month giving indices of industrial employment and of aggregate wages paid to industrial workers. The latest figures are as follows:—

*Indices of Industrial Employment in Argentina*

(Index base, 1937=100)

Industries	Number Workmen Employed				Wages Paid	
	1937	1939	1940	1941	1940	1941
Food.. . . . .	92.0	97.6	102.7	115.2	101.3	127.0
Textiles.. . . . .	101.1	110.5	109.9	119.9	119.4	146.2
Paper .. . . . .	105.6	112.6	122.3	131.8	137.5	159.0
Chemical .. . . . .	108.5	121.1	112.4	124.6	111.7	138.8
Petroleum.. . . . .	99.6	117.4	114.8	116.8	121.3	126.8
Rubber .. . . . .	108.7	128.2	130.8	152.4	135.6	176.7
Leather.. . . . .	104.0	121.3	122.0	125.9	127.4	143.6
Construction materials.. . . . .	105.7	118.3	114.4	125.8	119.3	142.6
Metals and manufactures.. . . . .	102.8	108.6	112.9	118.8	117.0	131.7
Autos and vehicles .. . . . .	103.8	107.3	103.4	104.7	107.2	113.8
Mining.. . . . .	104.1	119.8	123.5	143.0	124.7	152.5
	100.0	108.6	109.8	118.9	112.9	132.3
Month of December .. . . . .	99.9	104.6	108.3	120.7	110.8	131.5

According to an official estimate, \$195,000,000 of foreign capital is invested in manufacturing industries in Argentina. The United Kingdom is credited with 50 per cent, the United States with 44 per cent, and the remaining 6 per cent is largely French, German and Belgian.

There is virtually no public market for industrial securities in Argentina. The average Argentinean does not invest his money in an industry in which he has not a direct personal interest. He prefers to invest in government or government-guaranteed securities (which until a few months ago were free from income tax), agricultural land, or urban real estate. The principal Argentine industrial enterprises began as family concerns or limited partnerships, and the stock is generally closely held. Since government securities are now subject to income tax and some of the new industrial concerns are showing substantial profits, it is probable that Argentine investors will be more interested in the securities of these manufacturing industries in future.

The Argentine Government gave consideration to a plan which would involve the "mobilization of idle bank reserves", to be loaned under official guarantee to approved industrial enterprises. In August, 1941, a bill was submitted to Congress providing for loans up to the equivalent of approximately \$80 million to industrial enterprises for the establishment of new plants and the expansion of others. The loans were to be made by the private banks from funds provided by the Argentine Central Bank.

FOREIGN INVESTMENTS IN ARGENTINA

The value of Argentine remittances abroad in 1940 was the equivalent of approximately \$112,000,000, apart from payments on account of merchandise imports. This figure included private financial services and interest on the external public debt. In 1941 Argentina had a favourable balance abroad on merchandise account of \$62,000,000 as compared with an unfavourable balance of \$23,000,000 in 1940.

According to an official Argentine statement issued in 1941, the aggregate value of all foreign investments in Argentina was the equivalent of \$2,999 million. Details of the investments, according to the origin of the capital and the type of investment, are as follows:—

*Foreign Investments in Argentina 1941*

	United Kingdom	United States Equivalent	France in Millions	Belgium of Canadian	Germany Dollars	Others	Total
Railways . . . . .	1,100.4	....	132.5	....	....	....	1,232.9
Port works . . . . .	9.9	....	14.9	....	....	....	24.8
Street railways . . . . .	80.2	10.3	....	....	....	13.1	103.6
Electric, gas, water, etc. . .	39.6	65.0	....	317.6	....	....	422.2
Banks . . . . .	11.0	3.0	7.1	1.7	6.0	15.9	44.7
Telephone and radio . . . .	....	111.9	....	....	....	10.9	122.8
Meat-packing . . . . .	49.5	48.2	....	....	....	....	97.7
Lands . . . . .	18.0	....	....	0.5	....	....	18.5
Mortgages . . . . .	4.1	....	0.6	9.5	....	....	14.2
Insurances . . . . .	12.5	0.5	0.5	....	0.3	0.4	14.2
Industrial . . . . .	96.6	85.4	2.3	2.6	2.2	5.6	194.7
Agriculture . . . . .	20.7	....	0.2	1.3	....	....	22.2
Trade . . . . .	69.6	24.1	0.9	1.1	3.3	5.3	104.3
Public debt . . . . .	288.9	237.0	0.1	....	....	54.2	580.2
Sundry . . . . .	1.0	0.7	....	....	....	....	1.7
Total . . . . .	1,802.0	586.1	159.1	334.3	11.8	105.4	2,998.7

The United Kingdom owns 60 per cent of all the foreign capital invested in Argentina, of which 70 per cent is in public utilities and 16 per cent in the public debt of this country. The United States controls 20 per cent of the foreign investments, and 11 per cent is credited to Belgium.

## PRINCIPAL FOREIGN ENTERPRISES

Approximately 85 per cent of the meat-packing industry in Argentina is foreign owned, being divided almost equally between the United States and the United Kingdom. Vestey's, Swift's, Armour's, and Wilson's and Smithfields, the last working closely with the Co-operative Wholesale Society in the United Kingdom, are the principal foreign packers. In addition, Bovril's and Liebig's have plants and are large farm-land owners in Argentina. The producers now control the remaining productive capacity through the Argentine Meat Producers Corporation, which was organized some years ago by the National Meat Board with capital derived from a tax on live-stock sales.

A total of 68 per cent of the railway mileage in Argentina is foreign owned, 90 per cent of the invested capital being British and 10 per cent French. The Argentine Government operates the remaining 32 per cent of the mileage. The street railways in Buenos Aires are controlled by United Kingdom interests.

Argentina produces two-thirds of her oil requirements. Foreign capital controls around 35 per cent of the domestic production of oil, Shell and Standard Oil being the two principal operators. The remaining 65 per cent of domestic production is controlled by the Argentine Government.

Belgian financial interests control more than three-fourths of the electric-power production in Buenos Aires, and American capital is also invested in various electric power plants. Gas production in Buenos Aires is controlled by British capital, although the franchise has just expired and the state-owned oil company plan to take it over. American interests own the telephone system in Buenos Aires, and British and French capital is invested in certain port and water works outside Buenos Aires.

Forty-nine per cent of the external public debt of Argentina is held in the United Kingdom, 40 per cent in the United States, and 1 per cent in other countries, including Holland and Switzerland.

Investments in public utilities, including railways, and in the public debt represent 83 per cent of all foreign investments in Argentina. Some 86 per cent of the British capital is in the form of investment as compared with 72 per cent for United States capital.

Since the major part of the foreign capital investments in Argentina are in public utilities or in enterprises which directly affect the general public, such as transportation and power supply, they are subjected in most cases to the usual



governmental controls as to tariffs and rate of earnings on capital investment. The Argentine Government has always permitted the free transfer abroad of capital and interest or dividends. These transfers are affected directly at the current rates of exchange applicable for conversion into foreign currencies. The transfers can be made to dollar countries at the "free" or variable rate of exchange, which is currently 27 per cent above the official buying rate for export bills. New capital enters also at this rate. British railway earnings are accorded a special rate that is 18 per cent higher, while other similar transfers to sterling areas are at approximately the equivalent of the dollar rate. These higher rates represent in some degree a tax on net earnings to be transferred abroad and tend to discourage the withdrawal of foreign-owned funds which have been invested at better exchange rates in past years. This foreign exchange rate structure does not discourage new capital from entering the country, since the new investor enjoys the "free" rate on transfers in dollars of both capital and earnings.

The policy of effecting a balance on international payments on a bilateral basis has brought into clearer relief the divergent interests of the various enterprises financed in Argentina from creditor countries. The owners of the British capital invested in public utilities are, for example, competing with the buyers of British manufactured goods for the available supply of sterling from United Kingdom purchases of Argentine export products. Many of these buyers of British goods are important British merchant firms long established in Argentina. Since the United Kingdom has been reducing her purchases in this country of meats, grain, etc., by the application of import quotas and customs duties, the supply of sterling has been limited to a corresponding extent. The greater the proportion of United Kingdom purchases that are paid for by the export to Argentina of British manufactured goods and coal, the smaller the amount of sterling available in the exchange pool for the British-owned railways and other similar enterprises to effect remittance of earnings to their investors in the United Kingdom. British importing firms located in Argentina and British export interests generally are pressing the United Kingdom Government, either directly or through their local Chambers of Commerce, to obtain better exchange or customs rates or facilities from Argentina in order to increase the volume of their merchandise sales in this country. Similarly British investment interests are pressing London to obtain an exchange rate which will return them more sterling for their peso earnings. These problems have led British investment concerns to suggest separate governmental representation to support their interests in Argentina.

On the dollar side there was considerable discussion in local American trade circles in 1940, when the Export-Import Bank credits were under review, as to whether the granting of any substantial amount of new dollar credits to Argentina might not at some future date tend to exclude American goods from the market by absorbing too large a share of the available dollars for servicing and amortizing the credits. The effect of such credits of course would depend largely on the use that would be made of them.

One of the characteristics of the foreign investment structure in Argentina is that investments are confined almost entirely to individual enterprises that are controlled and managed directly by nationals in the country. A board of directors in London, New York, Chicago, Brussels or elsewhere abroad has the final word in most cases on matters of higher policy and makes the appointments to the senior managerial positions in Argentina. This applies also to the foreign-owned banks, railways, street railways, packing houses, oil companies, electric power companies, gas works, port works, and the branches or branch factories of the foreign manufacturing firms established in this country. There are few if any exceptions to this principle of absentee control of management for foreign-owned enterprises in Argentina or elsewhere in South America. Practically all the key positions in the local organizations are held by foreigners.

Another important characteristic of these enterprises is that they are completely foreign owned in almost all cases. An Argentine utility company put out a small debenture issue locally a few years ago as an experiment, but this policy has not been extended nor has it been copied by the other foreign enterprises so far. This situation arises, in part at least, from the fact that the average Argentinean prefers to invest his money in farm land, real estate, government securities and lastly in industrial enterprises, but only when he has a direct part in the control or management of the enterprise. The result is that the only connecting link between the foreign investment interest and the local community is the local foreign management group. The foreign enterprise deals directly with the local authorities through its local management, and its only other means of influencing local public opinion is through the services rendered the public in Argentina.

This foreign management group is the important element in each of the foreign communities resident in Argentina. The local American community is made up almost entirely of members of this group. The local British community is divided between members of this management group and the owners and higher employees of independent local British commercial enterprises or others with private interests who are now for the most part really Argentinean except for their language and sentimental ties with the United Kingdom. Apart from the management group, the local British community is now largely second and third generation born in Argentina. Few British nationals came to Argentina to engage in manual occupations. The attitudes and relationships of the local British towards this country have been conditioned on this fact. On the other hand a large proportion of the nationals of the continental European countries are engineers, skilled artisans or labourers.

The management group in charge of the American and British foreign-owned enterprises in Argentina represent a special occupational class. They are really professional managers of foreign enterprises. In addition to the usual management problems relating to the internal organization of enterprise, they have to deal with the special public relation problems encountered by an enterprise operating in a foreign country under a foreign government. They are responsible to the owners of invested capital who have no material interest in the social or economic welfare of this country apart from the effect that any action or decision for which they are responsible may have directly on the earnings of their particular enterprises. A reduction in tariff rates, an increase or decrease in prices charged the public or paid for local materials, or an increase in wages to employees may bring highly desirable or beneficial results from the point of view of the Argentine national economy. If the enterprise were operating in their own countries, indirect benefits at least would derive to the enterprise itself, whereas changes in a rate or price structure in Argentina may mean a straight reduction in earnings without any compensations to the foreign owners of the capital. These problems stand out in relief in a country such as Argentina, where there is a difference in language and in national characteristics while the ownership of the capital concerned is completely outside the country. The fact that Argentineans themselves are virtually excluded in practice from the highest positions in these local enterprises which play such important and vital roles in their national economy naturally tends to accentuate the existing problem of governmental relations. The management of the foreign-owned enterprises in Argentina have been subjected to criticism at times by their own nationals. Some of the critics appear to overlook the inherent difficulties in the situation arising from the existing foreign investment structure in this country. The majority that comprise this managerial group have acquired their entire business experience abroad, following early selection for their duties by the home organizations. It is only rarely that a new executive is sent to Argentina to assume a higher administrative position, as these appointments have seldom proven a success.



## FUEL PROBLEM

Before the outbreak of war Argentina imported around 3,000,000 tons of coal annually, approximately two-thirds of which came from the United Kingdom. The railways, the electric power plants, the gas works, and private industrial plants are the principal consumers. The railways normally consume around 1,000,000 tons annually. Domestic heating is not an important factor in consumption. Imports of coal fell to 2,224,929 tons in 1940 and to only 1,113,605 tons in 1941. Argentina has practically no domestic production of coal, although one or two small mines, with an output of approximately 2,000 tons monthly, are now being worked. The Argentine Government is using the former Axis-owned steamers, which have been purchased for their new Merchant Marine, to bring coal from the United States. Several full cargoes have arrived since the beginning of 1942.

Argentina produced 770 million imperial gallons of crude petroleum in 1941, an increase of 6·8 per cent from the 1940 figure. The domestic production of crude petroleum has been increased steadily from 315 million gallons in 1930 to 770 million gallons in 1941. The state-owned producing company accounted for 64 per cent of the 1941 output, and the remainder was produced largely by Shell and Standard.

In order to meet domestic consumption requirements in oil, Argentina had to import 132 million imperial gallons of crude oil from Peru, Colombia and the United States in 1940; imports reached 128 million gallons in 1941.

Argentine imports of fuel for domestic consumption in recent years have been as follows:—

*Argentine Imports of Fuel*

	1938	1939	1940	1941
		Figures in Short Tons		
Coal . . . . .	3,066,016	3,217,285	2,224,929	1,113,606
Coke . . . . .	41,025	41,967	32,996	12,420
		Figures in 1,000 Imperial Gallons		
Crude oil . . . . .	171,506	176,088	132,253	128,000
Fuel oil . . . . .	277,719	254,524	268,611	273,354
Diesel oil . . . . .	87,258	79,474	53,810	58,984
Gas oil . . . . .	4,663	10,720	40,040	9,960

The Argentine fuel stock position at the close of 1941 was as follows: coal, 904,384 tons; crude petroleum, 23,934,750 gallons imported and 71,575,125 gallons domestic; fuel oil, 101,695,543; diesel oil, 15,348,085; and gas oil, 2,913,765 gallons. The railways, which normally use around one-third of all the coal consumed, have reduced their consumption to around 20 per cent of the pre-war level. One of the largest railways, which formerly required 500,000 tons of coal annually from England is now using only 96,000 tons. Oil consumption has been increased, some domestic coal is being used, and some 60,000 tons monthly of quebracho wood is being burned. The power plants and industrial plants are the principal users of corn for fuel.

Since Argentina produces only two-thirds of her petroleum requirements and practically no coal, and as Argentina has virtually no hydro-electric power available, the problem of obtaining fuel supplies from abroad is a serious one. Industrial plants have been compelled by the Government to reduce their fuel, oil and coal consumption by one-third, substituting corn or local woods. Argentina has an excellent hardwood fuel available in the quebracho tree. Fuel-oil and coal consumption is also being restricted for heating buildings. In this respect Argentina is fortunate in not having too severe a winter climate. So far gasoline has not been rationed. An agreement is being negotiated between Argentina and Bolivia which would give access to new supplies of crude petroleum in Bolivia.

All importations of petroleum and petroleum products into Argentina are subject to licences issued by the state-owned oil-producing, refining and distributing company, Yacimientos Petrolíferos Fiscales.

## EMPLOYER-EMPLOYEE RELATIONS

The Argentine approach to the labour problems in respect of improvement of the position of industrial and other workers has been indirect rather than direct. Governmental action has not been prompted by immediate political pressure from the workers themselves. The emphasis so far has been on assisting industry itself rather than on assisting directly those dependent on industry.

As a bargaining weapon in the hands of labour the strike has no legal status in Argentina except in the negative sense that strikes are not prohibited by law. There are unions and there are strikes, particularly in the building trades. The largest single group of workers in the country, the railway employees, stage brief protest "stops" at times, but in recent years strikes have been more or less in the nature of mild protests and have aroused comparatively little public interest or concern.

Despite the expansion that has taken place over the past ten years in manufacturing industries, combined with the reduced influx of new immigrants and the consequent effects on the supply and demand for both skilled and unskilled labour, relationships between employer and employee have not been difficult. The industrial expansion has largely absorbed the available workers displaced elsewhere without creating anything in the nature of a shortage in the supply of available industrial workers.

There has been little governmental emphasis placed on social security in this country in the broader sense, arising from immediate political pressure, as compared with North America and the United Kingdom. The Government tends to avoid official intervention between employers and the unofficial employee unions unless the differences threaten to affect the interests of the community. Extremists have not played an important role. A wage problem affecting the railways and their employees has just been settled through direct intervention of the Executive Power by granting the railways certain tariff increases on condition that the added revenue be passed on exclusively to the employees to meet their demands in part. The limits of daily working hours of salaried employees generally are fixed by law, and these employees cannot be discharged, except for due cause, without stipulated compensation.

The governmental approach to labour problems has largely been conditioned so far by the fact that the largest single employers of labour in Argentina are still the big foreign-owned enterprises operating in the country, such as the railways, packing plants, telephone companies and other public utilities and foreign-owned branch plants. The Government tends to act as arbitrator in cases of urgency between the foreign management as employers and their own nationals as employees. The Government is naturally less interested if the terms of settlement affect the profits of the foreign enterprise than if they directly affect the local economy. Most civil employees and employees of state-owned enterprises, such as the oil company and the railway, have established their pension funds. However, the ever-increasing number of workers employed in industrial plants that are not controlled as foreign enterprises will in future tend toward changing the background of employer-employee relationship problems from the point of view of the Government.

There will never be the same urgency for speedy settlement of employer-employee disputes in Argentina on the part of employees that is experienced in countries with a more harsh climate than Argentina. The temporarily unemployed worker in this country is never urgently in need of new winter clothing, nor does he have to put in a store of fuel for heating his dwelling in winter. The Argentine laws are strict in the matter of eviction procedure in cases of delayed rent payments. The worker has no car instalments to meet, since wage rates do not permit of car ownership by wage-earners. Meat is cheap and is the important single item in the worker's diet. In fact, if the Argentine Government were forced to undertake direct relief, it could be done



by establishing food stalls in the retail markets for the distribution to coupon holders at a comparatively low cost, and little else would be required of the authorities for some time. Consequently, in some respects at least Argentina is in a comparatively favourable position industrially as compared with other countries. It must not be concluded however, that tropical or sub-tropical labour conditions prevail in Argentina. The industrial and commercial conditions compare favourably with those in any northern industrial country. The North American visitor to Argentina will see little difference between the visual evidences of commercial and industrial activity of Buenos Aires and that of any city of two to three million population at home. The principal difference is that the language of Argentina is Spanish, and a few of the normal problems of living are to some extent less difficult of solution.

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### DUTIES SUSPENDED ON SOME FARM IMPLEMENTS AND SUPPLIES, WOOD AND TOOLS

By an Order of the Government of Ireland (Eire), farm equipment and supplies of several specified descriptions will be allowed importation during the period April 4, 1942, to October 3, 1942, without payment of any customs duty, viz: disinfectants (including insecticides, verminicides, vermicides, or fungicides, as described in the tariff), forks, hoe heads, scythes (including sickles, slashers, bill hooks, hay knives), spades and shovels, iron and steel fencing material, corrugated galvanized iron and steel, scythe mountings, iron and steel wheelbarrows and trucks, specified iron and steel wheels, iron and steel netting and fencing, lime (quicklime and slaked lime). The package tax ordinarily chargeable on disinfectants if in packages of under 7 pounds is also suspended.

Suspension of customs duties for the same period is extended to specified wood and articles wholly or mainly of wood, including planed or dressed wood, fence posts, builders' woodwork, mouldings, shutters, gates, outdoor seats and tables, deck chairs, hand trucks, barrels, tubs, and many other articles.

The following tools when fitted with wooden handles and imported as complete tools are also exempt from duty from April 4 to October 3, 1942, viz: hammers, hatchets, adzes, axes, pickaxes, mattocks, hoes, rakes and forks; also wooden handles imported separately which are designed and intended for use with such tools.

### Australia

#### IMPORT LICENSING OF MOTOR-TRUCK CHASSIS

With reference to the article in *Commercial Intelligence Journal* No. 1990 (March 21, 1942), page 298, Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia, writes that in extending the currency of the 1941-42 quotas of motor-truck chassis to August 31, 1942, the Division of Import Procurement, Department of Trade and Customs, urged that every endeavour be made by importers to arrange that importations comply with the terms of delivery specified in the original quotas. The original quota period, however, expired on April 30, 1942. The regulation regarding shipments of motor chassis from North American sources, chargeable against quotas for the year ending April 30, 1942, was modified in the case of orders placed before February 1, 1942, to permit of importation into the Commonwealth of such licensed chassis until August 31, 1942, where it can be shown that the delay is attributable to adverse factory or shipping conditions.

## Barbados

### MODIFICATION OF BRITISH PREFERENTIAL TARIFF REGULATIONS ON GOODS SHIPPED THROUGH THE UNITED STATES

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, Trinidad, writes to amplify an article published in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 609, on modification of British preferential tariff regulations in Barbados applicable to Canadian goods shipped through the United States. He advises that, in order to facilitate the movement of merchandise from Canada to Barbados via United States ports, the Controller of Customs in Barbados, is prepared to accept for British preferential tariff purposes on such shipments the usual certificates of origin together with bills of lading endorsed by the steamship companies to the effect that the goods were received in bond at port of shipment. It is required that the goods arrive in Barbados in their original Canadian package.

## St. Lucia

### DUTY REDUCED ON ANIMAL FOODS AND PRESERVED FRUITS

A resolution of the St. Lucia Legislative Council, of December 19, 1941, reduced the general tariff of 12s. 6d. per 100 pounds on jams, jellies and preserved fruits to 11s. 8d. The British preferential rate (applicable to Canada) remains at 8s. 4d. There is a surtax of 25 per cent of the duty on these goods. At the same time the general tariff on animal foods, including bran and pollard, linseed oil-cake and linseed oil-cake meal, corn and oats, was reduced from 9d. per 100 pounds to 3d. and the duty of 6d. under the British preferential tariff was changed to duty-free entry.

## Cayman Islands

### DUTIABLE VALUE TO INCLUDE FREIGHT

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that a law passed by the Legislative Assembly of the Cayman Islands, a dependency of Jamaica, on November 26, 1941, and assented to by the Governor of Jamaica on January 28, 1942, provides that ad valorem duties on goods imported into that Colony be computed on the basis of c.i.f. port of importation instead of, as formerly, f.o.b. country of origin. This change is in line with a similar one effected in Jamaica as from April 1, 1937.

### PACKAGE TAX CONTINUED

The tax on packages imported into the Cayman Islands, imposed on January 1, 1941, for one year, as reported in *Commercial Intelligence Journal* No. 1942 (April 19, 1941), was extended for an additional year as from January 1, 1942.

## British Honduras

### RESTRICTION ON IMPORTATION OF BEANS

Mr. F. W. Fraser, Canadian Trade Commissioner in Jamaica, reports that, as from March 23, licences for the importation of beans into British Honduras will not be granted, because sufficient supplies of locally grown beans are available. It is, however, provided that licences may be granted for the importation of beans for seed purposes, subject to official approval. The issue of licences for bean importation in the regular way will be resumed when domestic supplies are exhausted.



## Mexico

## RESTRICTIONS ON IMPORTS OF ARMS AND AMMUNITION

The office of the Canadian Trade Commissioner in Mexico advises that under a decree effective May 1, 1942, imports into Mexico of firearms and ammunition therefor, with the exception of pistols and rifles of .22 calibre, of small game shotguns in which bullets cannot be used, and of ammunition for the excepted arms, is prohibited.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 18, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 18, 1942, and for the week ending Monday, May 11, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 11	Nominal Quotations in Montreal Week ending May 18	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2623	.2615	—
Brazil . . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0573	.0573	3-4½
		Export	.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6328	.6328	4
Venezuela . . . . .	Bolivar	.1930			
		Official	.3319	.3313	—
		Free	.3219	.3291	—
Uruguay . . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

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## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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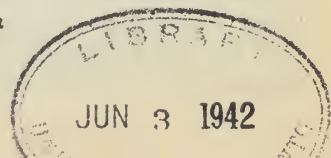
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L. D. WILGRESS, DEPUTY MINISTER





## UNITED STATES COLD STORAGE COMMODITY HOLDINGS

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, May 20, 1942.—The United States Department of Agriculture has released a report of cold storage warehouse commodity holdings as of May 1, which showed increases over a year ago for most items, the most significant of which are cheese and eggs. On the other hand holdings of apples, frozen poultry and frozen and cured meats showed declines from the previous year.

### APPLES

Stocks of apples in storage on May 1, 1942, totalled 3,544,000 bushels as against 5,997,000 bushels a year ago, a decline of 2,453,000 bushels, and 1,178,000 bushels below the five-year (1937-41) average of 4,722,000 bushels. Included in the present stocks are 120,000 bushels owned by the Surplus Marketing Administration.

### FRUITS AND VEGETABLES

The report indicated that there were 99,852,000 pounds of frozen fruits and berries in freezers on May 1 and they exceeded the May 1, 1941, total of 81,918,000 pounds by 17,934,000 pounds. Frozen blueberries on hand amounted to 4,009,000 pounds as compared with 5,470,000 pounds a year ago, a decline of 1,461,000 pounds.

Frozen vegetables in storage amounted to 53,136,000 pounds or 4,487,000 pounds more than the May 1, 1941, total of 48,649,000 pounds.

### DAIRY AND POULTRY PRODUCTS

Stocks of creamery butter on hand on May 1, 1942, totalled 37,183,000 pounds as against 17,795,000 pounds a year ago, or an increase of 19,388,000 pounds. The total stocks included 4,796,000 pounds of butter owned by the Dairy Products Marketing Association and 4,610,000 pounds held by the Federal Surplus Commodity Corporation.

Stocks of American cheese reached an all-time high and on May 1 totalled 180,151,000 pounds, or 85,549,000 pounds over the May 1, 1941, stocks of 94,602,000 pounds. The Federal Surplus Commodities Corporation held 67,149,000 pounds of the stocks. Total United States cold storage cheese stocks amounted to 204,307,000 pounds as against 108,335,000 pounds on May 1, 1941.

The holdings of shell and frozen eggs totalled 8,895,000 cases and exceeded the May 1, 1941, holdings of 5,685,000 cases by 3,210,000 cases. Shell eggs were increased by 1,619,000 cases, while frozen eggs were increased by 1,591,000 cases. The unusual large holdings of eggs is apparently due to the amount held in storage and earmarked for future drying against commitments of dried eggs for future delivery to the Federal Surplus Commodities Corporation.

### FROZEN POULTRY

Total frozen poultry holdings on May 1 were 96,441,000 pounds as compared with 101,129,000 pounds a year ago, a decline of 4,688,000 pounds. Declines were recorded in the holdings of fryers, roasters, fowls, turkeys and ducks, while gains were recorded for broilers, miscellaneous and unclassified poultry.

### MEATS AND LARD

The report indicated that on May 1 the total stocks of all frozen and cured meats on hand amounted to 811,362,000 pounds, which was 154,719,000 pounds below the holdings of 966,081,000 pounds on May 1, 1941. Frozen and cured beef holdings, lamb and mutton, and edible offal and trimmings all recorded gains, while the holdings of pork showed a very substantial decline.

Lard and rendered pork fat amounted to 126,054,000 pounds or 201,644,000 pounds under the holdings of 327,698,000 pounds on May 1, 1941.

## CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, April 11, 1942.—The shipbuilding industry of Scotland employs in peacetime about 50,000 men, and indirectly about 100,000 more. The number now employed in this vital industry is, of course, a secret. The prospects are that when hostilities cease shipbuilding yards and marine engineering establishments will be kept well employed for many years.

Current production in shipbuilding and engineering generally (which term covers a multitude of war essentials), both on the Clyde and elsewhere in Scotland, continues at a high level. With the longer daylight hours and the consequent reduction in the burdensome and retarding blackout period, production is assuming a new tempo.

### IRON AND STEEL

The greater part of the production in the steel works is being used by firms engaged on government contracts, and the shipbuilding industry is consuming heavy quantities of plates, sections and other materials. The expansion in the production of armaments of all kinds also creates a strong demand for the finer qualities of steel for engineering purposes. A large part of the output of the pig-iron trade is being used by foundries that produce castings for the heavy engineering industry.

### PAPER TRADE

In the first quarter of the year there has been no appreciable change in the Scottish paper industry and trade, which has suffered so severely as a result of shortage of raw materials. The country is now fully alive to the urgent need to save waste paper for repulping. The newspapers generally are down to four pages for several days of the week and to six pages for the remainder. The esparto grade mills have for a long time been using straw as a substitute for esparto grass. Export business is severely curtailed and, of course, the home market can readily absorb the present production of all mills.

### WHISKY TRADE

The distilling of malt whisky is being permitted this year on the same scale as in 1941. There is no report as yet concerning the re-opening of the grain distilleries.

Owing to the heavy increase in the price of barley, it is expected that the provisional price of 12s. per gallon, fixed by the Pot Still Distillers Association, will be raised. Distillers are having difficulty in obtaining employees, and fuel and transport problems are additional unfavourable factors.

Domestic business is quiet, owing to the scarcity of supplies, and export markets have been reduced as a result of the Japanese aggression in the Far East.

### EAST COAST FISHING

During the past three months exceptionally bad weather has prevailed, and in consequence the catch has been much restricted. Maximum prices have resulted but, owing to the heavy cost of operations, few vessels have apparently paid expenses. With finer weather, improvements both in supplies and financial return are anticipated.

The Ministry of Fisheries are still considering the reorganization of the whole trade, but are to receive from the industry their plans for concentration and amalgamation, which would effect reductions in staffs and expenses of firms engaged in the purchasing branch of the industry. The reduced number of firms would be rationed for supplies by the Local Buying Committees, and would be



assigned districts for the sale of their products. The object is to ensure to the general public regular and equitable supplies of fish. If some plan cannot be agreed upon, it is likely that the Government will take over complete control of the industry.

## STEPS TAKEN TO PROHIBIT THE MANUFACTURE OF NON-ESSENTIAL GOODS IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, February 26, 1942.—Implementing the Commonwealth Government's policy of diverting labour and other resources from non-essential production to tasks which are vital to the war effort, regulations have just been issued under the Commonwealth National Security Act prohibiting the manufacture of a considerable number of non-essential commodities and restricting the use of essential materials in short supply. The Minister of War Co-ordination of Industry, when announcing these regulations, stated that unless additional labour power was made available, the production of munitions and essential requirements for the civilian population would be seriously delayed. The first Order issued by the Government affects only the States of Victoria and South Australia where the labour situation is most acute. The Minister said that the prohibition of manufacture of non-essential articles in other States, would be affected, as soon as it was clear that any existing pools of unemployed had been absorbed. It was considered that the list of prohibited articles contained nothing that could be regarded as essential in war time.

The first Order promulgated, known as "Prohibition of Non-essential Production Order (No. 1)" totally prohibits the manufacture, after February 28, of goods under 60 different headings. In addition, it prohibits the manufacture of toys, n.e.i., except under licence. Manufacturers of the goods covered by this Order will be required to forward within a few days after February 28 statements showing:—

- (a) The number and types of workers likely to become available for war or other essential purposes as a result of the Order;
- (b) Material, plant or machinery that could be released for other uses;
- (c) Factory, office and storage space that could be used in other directions.

Appropriate steps will also be taken to prevent prohibited articles, manufactured in States other than Victoria and South Australia, from being sent to either of the States mentioned.

On February 23 another measure was promulgated by the Commonwealth Government, entitled "Control of Essential Articles (Materials) Order" which drastically restricts the use, throughout the Commonwealth, of the following commodities:—

1. Iron and steel sheets, plates, strip, rods, bars, pipes, tubes, wire, angles and sections.
2. Copper and copper alloys (angles, bars, ingots, pipes, plates, rods, sections, sheets, strip, tubes, wire and scrap).
3. Acetone, butyl acetate, ethyl acetate, formaldehyde, glycerine, naphthalene, petroleum solvents, phenol, phenol-formaldehyde moulding powders, pigments, potassium chlorate, soda ash, sodium bicarbonate.

These materials must not be used at all for the manufacture of the non-essential goods listed in this Order; for the manufacture of other goods listed in the Order, the amount of such materials would be reduced to a percentage varying from 25 to 75 per cent of the amount consumed for such purposes in

a base period (to be fixed by the Controller of Materials Supply of the Ministry of Munitions). Suppliers of the commodities listed above may be required by the Controller of Materials Supply:—

- (a) to furnish at any specified time or times, estimates and returns, relating to output, purchases, stocks or sales of any essential article;
- (b) The Controller of Materials Supply may issue directions to any supplier as to the quantity of any specified essential article to be distributed, sold, used or consumed by him for any specified purpose during any specified period, and
- (c) The Controller of Materials Supply may require any supplier to obtain his consent before distributing, selling, using or consuming any specified essential article for any purpose other than a purpose specified in the Order.

On February 23, a third Order was promulgated by the Commonwealth Government entitled "Prohibitions of Non-essential Production Order (No. 2)", which is applicable throughout Australia and prohibits, as from February 24:—

- (a) the production of domestic washing machines,
- (b) the production of domestic vacuum cleaners, and their sale except under licence; and
- (c) the production and sale of refrigerators except under licence.

The manufacture of refrigerators is to be restricted to the bare minimum of essential needs for the armed forces, hospitals, and similar institutions.

Australian manufacturers of vacuum cleaners, washing machines and refrigerators will be required to forward to the Director of War Organization of Industry details of the number and type of workers displaced by the prohibitions, and of the material, plant, machinery and factory, office and storage space likely to be released for more essential uses. The control of the production and disposal of the limited number of essential refrigerators would be in the hands of the Division of Import Procurement, Department of Trade and Customs, which would also issue permits covering the sale of stocks of vacuum cleaners.

Steps have been taken to peg the prices of all the articles covered by the three Orders under review, at the prices prevailing on February 10.

Copies of the three Orders issued by the Commonwealth Government containing the full list of articles affected, may be inspected on application to the Commercial Intelligence Service, Department of Trade and Commerce, Ottawa, quoting file number 34393.

## AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

### Rubber Experiments in Australia

Sydney, March 27, 1942.—Following investigations by the Australian Council for Scientific and Industrial Research into the suitability of various rubber producing plants for Australia, the Mexican rubber shrub "guayule" has been successfully grown in a selected area in the Canberra district. An experimental plot for seed purposes has now produced its first growth, and results are regarded as satisfactory. In view of the diversity of climatic conditions and soil in the States of New South Wales and Queensland, it is hoped to develop substantial production in the near future.



### Emergency Stocks of Food in Australia

The emergency food reserves held in Australia on behalf of the Commonwealth Government against contingencies from enemy attack are to be trebled as a result of recent decisions by the War Cabinet. An extra £1,000,000 (\$3,600,000) has been earmarked to increase existing reserves, which were established at a cost of £500,000 (\$1,800,000) in 1941. The additional reserves will be strategically disbursed in New South Wales, Queensland, Victoria, South Australia, and Western Australia. In this connection the Commonwealth applied the initial funds to the cost of the goods, retaining ownership, while the states concerned provided storage and maintained records of all issues under official authority.

### Australian Wool Situation

The annual report of the Australian Central Wool Committee indicates that although the list of countries to which Australian wool was shipped in the 1940-41 season was greatly reduced, the quantity of wool exported to countries other than Great Britain (chiefly the United States) showed a heavy increase over the figures for the previous year. During the year under review the amount received by the Central Wool Committee for wool sold outside Great Britain and paid to the credit of the British Ministry of Supply was £stg18,879,184, comprising £stg14,263,170 in United States credits and £stg4,616,014 in London credits.

It is of considerable interest to note that the shipments of storage wool, plus commercial consignments to the United States, greatly relieved the storage position in Australia, which was becoming extremely critical. The requirements of the United States Government for manufactured woollen goods for defence purposes resulted in heavy purchases of Australian wool, totalling 814,500 bales in the year ended June 30, 1941, as compared with 49,816 bales purchased in the previous year.

The appraisal of wool throughout the Commonwealth by the Central Wool Committee during 1940-41 amounted to 1,044,039,085 pounds, the average appraised price per pound being 12·085d., or 1·3525d. less than the purchase price agreed upon with the British Government. A flat rate adjustment payment of 11 per cent of the appraised value permitted of the distribution of a sum of £5,708,698 to suppliers on July 29, 1941. The 1940-41 crop was inferior to that of the previous year, and this explained the margin of 11 per cent.

The report announced that the Committee had further decided that for the 1941-42 season Australian manufacturers would be charged appraised prices plus usual delivery charge.

### Commonwealth Government Control of Oils and Minerals

The Commonwealth Government has assumed complete control of the production and supply of minerals, metal ores, mineral oils, natural gas, shale oil and all like substances.

Commonwealth control will be exercised by a Controller of Minerals Production, who, under National Security Regulations, is empowered to take possession of land or authorize its use for any purpose associated with minerals production. For the same purpose he may grant financial assistance to any person or authority, purchase goods compulsorily, acquire property, machinery or plant, employ personnel and sell or otherwise dispose of property held.

The amount of compensation for any damage or loss sustained by a person through the exercise of the Controller's powers will be agreed upon between the Controller and that person or, in the absence of agreement, by action by the claimant against the Minister in a court of jurisdiction.

It is further provided that the Controller may arrange with State Ministers for the co-operation of the mining officers in the various States.

### **Australian Budget Estimate Exceeded**

Australian Commonwealth customs and excise revenue for the eight months ended February 28 amounted to £A38,058,506 (\$137,010,621), which was £A5,111,492 (\$18,401,371) more than the budget estimate for the period and more than £A2,500,000 (\$9,000,000) greater than the revenue for the corresponding period of the previous financial year. The revenue increases were chiefly in New South Wales, Victoria, South Australia and West Australia, with slight decreases in Queensland and Tasmania.

Postal revenue for the eight months amounted to £A13,893,948 (\$49,918,212), which was £A313,621 (\$1,029,035) greater than the budget estimate and £A1,549,927 (\$4,579,737) more than the receipts for the corresponding period of 1940-41. All states showed substantial increases.

### **Increased War Cost in Australia**

The Commonwealth Government has approved a further appropriation of £A75,000,000 (\$270,000,000) for war expenditure, and authority has been granted to the Commonwealth Treasurer to raise this amount by loan. The Treasurer stated that the Loan Act approved by the Australian Parliament last October appropriated £A50,000,000 (\$153,000,000), and this amount, with the balance of appropriation available at June 30, 1941, would cover war expenditure from loan fund up to the middle of March, 1942. The Treasurer further stated that the new appropriation should cover loan expenditure to June 30 of this year. Since the outbreak of hostilities the Commonwealth Parliament has granted war loan appropriations totalling £A234,000,000 (\$842,400,000).

### **Reduction in Motor-car Registrations in Australia**

Of the 585,888 motor cars registered in Australia at the end of December, 1940, at least 72,000 were de-licensed and put out of commission by the end of 1941. War conditions were primarily responsible for the fact that one car in every eight registered in Australia at the end of 1940 had been taken out of service by December, 1941. That loss was partially made up by the sale of 12,000 new cars during that year. The actual net withdrawal of cars from the road in 1941 was, therefore, just under 61,000.

As compared with passenger motor cars, only 7,524 commercial vehicles were de-licensed, the net loss being 2,659 units, as 5,865 new commercial vehicles were either purchased or put into service during the year.

The total net recession in registrations of both passenger cars and commercial vehicles was approximately 63,000 units. The State of Victoria led in de-licensed figures with 22,953, New South Wales followed with 19,253, Queensland with 7,673, Western Australia with 6,849, South Australia with 3,784, and Tasmania with 3,062.

The total number of motor vehicles registered on December 31, 1941, was 752,479, of which 525,530 were passenger cars and 226,949 were commercial vehicles. Registrations at the end of 1940 totalled 815,889. The effect of war-time conditions is clearly shown by the fact that under 18,000 new cars and commercial vehicles were sold in 1941 as compared with 70,043 new vehicles in 1939 and 79,280 in 1938.

### **Australian Seed-growing Scheme**

Plans were recently completed at a conference of Australian vegetable experts for a marked increase in the production of vegetable seeds in Australia. This decision followed an extensive investigation by the Australian Council for Scientific and Industrial Research in view of the serious difficulty of importing



requirements and the possibility of Australia being cut off from North American supplies.

A constructive scheme has been formulated, to be put into operation immediately, which aims at the production of the whole of Australia's vegetable seed requirements and the building up of a reserve equal to approximately a year's supply. The scheme will cover all the states in the Commonwealth, and the State Departments of Agriculture will co-operate fully with the Commonwealth authorities. The immediate objective for the current year will be the production of 50 per cent in excess of an average year's requirements, and in the following year production is to be doubled with a view to establishing a sufficient reserve to guard against any emergency.

## TIMBER RESOURCES OF CENTRAL AFRICA

H. L. BROWN, ACTING TRADE COMMISSIONER

Johannesburg, March 27, 1942.—In his recent report, "Expanding Lumber Output in South Africa,"\* the Canadian Trade Commissioner at Capetown dealt fully with the increased South African production of wood in various forms from the timberlands of the Union. This increased production has been stimulated by the severe restriction of overseas supplies, coupled with increased demand in the Union. Obviously, replenishment of timber supplies will be sought from all possible sources and the nearest outside the Union itself are the neighbouring and nearby countries to the north. One of the difficulties encountered is found in the fact that before the war the export of timber from the African continent south of the Sahara desert was confined mainly to logs, and consequently there are relatively few sawmills in any of the colonies to handle the increased demand for sawn lumber. With insufficient saws to cope with the cutting of scantling sizes, there is a great deal of waste. Nevertheless, importers in South Africa are placing orders with suppliers in Africa for such substantial quantities as minimum lots of 1,000 tons.

### SOFTWOODS AND HARDWOODS

It is essential to differentiate between timber which is suitable for construction and general utility purposes, and that which serves best in the furniture, joinery and similar trades. Generally speaking the available woods natural to the African Continent are of the tropical and sub-tropical types, commonly classed as hardwoods. Parenthetically, it may be observed that, while the northern hemisphere classifies the wood of coniferous trees as softwoods and that of deciduous trees as hardwoods, the timber industry of Nigeria, for example, classifies as softwoods those timbers which will float and as hardwoods those which sink in water.

In the report already mentioned it is made clear that, apart from certain hardwoods, the Union is not a timber-growing country and it mainly depends on the actually immature softwoods of the plantations to supply woods suitable for construction and similar general utility purposes such as box-making. Even with only slightly more shipping than is presently available, the Union of South Africa could take large quantities of softwoods. In short, the vital problem of softwood supplies cannot be solved fully by imports from other parts of Africa.

The notes given below regarding various woods imported from African sources will make clear that it is teak which is being replaced but that so far as concerns softwoods there is temporary substitution rather than replacement.

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Consequently, under prevailing abnormal conditions, some woods can and are being used for purposes to which they may be less adapted than the woods normally employed. For example, the colonies in the tropical areas are using for construction their domestic woods which normally are employed only for high class furniture, panelling, etc., or which may even be unprofitable, not to say inferior, for almost any purpose in times of normal supply.

### TRANSPORTATION

Transportation has been and is one of the greatest difficulties hampering the development of the lumber industry in tropical Africa. Before the war it was always cheaper and simpler to import lumber than to obtain supplies from within the continent, except for limited local demand. In addition, Africa has not the rivers, except in some areas such as the lower Congo basin, nor the coastal waters to serve for the transportation of raw and prepared timber and thus suffers a handicap compared with the large timber-producing areas of the world. Some of the woods, too, because of their weight when green, do not lend themselves to ready transportation in booms by water. Then again, in both Kenya and Uganda the varied types of timber available in the mountains must be transported hundreds of miles by rail to the coast with consequent heavy costs. Arrangements have been made between the Governments of the Belgian Congo and the Union of South Africa for rail transportation which has facilitated a fairly regular flow of Congo timber to the Union, but this would hardly be possible at competitive prices in a normal market.

### Congo and West Africa

The British, Belgian and French territories facing the South Atlantic, contain reserves of tropical woods which have scarcely been thoroughly exploited except in some districts. Some of the best known timbers in these colonies are the following:—

Limba is not a good timber but has proved to be very useful. It has served as a passable substitute for softwoods in some constructional uses, having been frequently specified in war supply orders. Certain Limba is highly figured and has a fashionable demand for furniture.

Iroko or Cambala (sometimes known as Congo Kambala or Congo Mvule) has been imported into South Africa in fair quantities, largely in replacement of teak. It has not always been well seasoned but is tougher than East African Mvule.

Okoume from the Gaboon district of French Equatorial Africa (and often called Gaboon) is well known as a useful timber for the manufacture of plywood and has served some constructional uses.

### Kenya, Tanganyika and Uganda

These colonies have a large variety of timber and, although long transportation hauls normally made costs high, prevailing demand finds prices not unattractive.

Mvule from Tanganyika and Uganda is meeting part of the normal demand for teak. Actually it is stated to be more attractive than teak and, when properly kiln-dried, compares favourably in reliability. It was specified two years ago for Public Works Department furniture and is now being specified as an alternative to teak in the latest war supply orders.

Moru is a grey, decorative timber which, when waxed, has the appearance of bleached walnut. A few manufacturers have been using it for some time and others have been darkening it to replace walnut. It has been widely used for radio cabinets which are manufactured in South Africa and not imported.



Podo is an East African yellow wood of softer texture than the South African or Rhodesian yellow wood. It is being used to replace clear pine and high-grade lumber of types such as Douglas fir but is not comparable in strength and durability.

African pencil cedar is used for decorative furniture.

Uganda mahogany has been found a useful general-purpose timber but is not available in any quantity.

A variety of timbers, including some softwoods, grow in the highlands of Kenya but relative inaccessibility has impeded development. The increasing military requirements in the Middle East may progressively restrict the supplies of East African timber available for commercial use.

### The Rhodesias

Rhodesian teak is the main timber exported from these colonies, but, because of toughness, its uses are limited.

Yellow wood has proved a useful timber but requires careful seasoning.

Kijaat has replaced teak in considerable quantities and, to some extent, has revolutionized the furniture trade in recent years, being a decorative and reliable timber which has found favour in spite of earlier prejudices. Fair quantities are also available from the northern Transvaal and Portuguese East Africa.

## ECONOMIC CONDITIONS IN BRAZIL IN 1941

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, April 1, 1942.—Brazil has now passed through the second year under war conditions. During 1940 fear was entertained that the continued loss of the European markets for coffee and cotton would be irreparable. Before the war Europe, not including Great Britain, was a very important customer for Brazilian products, especially cotton and coffee.

In 1937, excluding the United Kingdom, Sweden, Portugal, Spain, Turkey and Russia, Brazil sold to Europe to the value of 1,832,000 contos or 35 per cent of the total exportation from Brazil, while in 1941 exports to all enemy and occupied territories in Europe attained only 90,000 contos. However, despite the loss of the European market Brazil has succeeded in showing an excellent return from foreign trade for 1941.

Exports increased both in value and volume and although some increase occurred in the value of imports, the relative increase in export values was sufficient to give Brazil a favourable balance of 1,215,000 contos, something more than \$50,000,000.

This balance should prove to be not only sufficient to offset the probable deficit carried forward from 1940 and permit the satisfaction, at least in part, of non-commercial payments, but may permit Brazil to have in hand a reasonable balance with which to counteract any reverses which might occur in the future. There may be added to this favourable balance a certain amount of "refugee capital" which continues to find its way into the country. The value of such capital is difficult to estimate, but certainly a reasonable figure might be put at \$10,000,000 to \$15,000,000.

During the depression period, subsequent to 1929, Brazil commenced its most intensive period of industrial development. This was forced on Brazil largely through the shortage of foreign exchange with which to pay for imported goods, inflation and the low buying power of the population, even in local currency. With the recession of the depression period Brazil began to import on a larger scale and the tempo of industrialization began to slow up. Over-production was reported in many industries, which was, to some extent, due to the return of imported products to the market.

## CONTINUED STIMULUS TO INDUSTRY

Now, for the second time in ten years, Brazilian industry is receiving a tremendous stimulus. Not only is a great part of the erstwhile sources of supply cut off, but shipping difficulties and scarcity in those countries still open for trading is making it daily more difficult to obtain manufactured goods or even raw materials. Thus local industry has been given an almost free field and with attractive prices yielding admirable profits it would appear as if an industrial boom is near.

Brazil has already left far behind the gains of the depression period. Then, her neighbours on every side were passing through the same financial difficulties as Brazil. Now, those neighbours, who are not to be compared with Brazil in industrial development, have plenty of money and are anxious to buy from wherever they can. As a result, Brazil's export trade is expanding on new lines. Already many manufactured products are being exported, including cotton piece-goods, leather goods, pharmaceuticals and food and feeding stuffs. New industries are springing up, almost daily, many being fostered by refugees who are bringing to Brazil the arts and crafts of their native lands. Among such industries might be mentioned crystal, pottery, leather and textile products and many of the small domestic industries, such as lace and embroidery, for which certain European centres were famous.

## BUSINESS AT HIGH LEVEL IN 1941

Despite war conditions and transportation difficulties with North America and Europe, general business was maintained at a high level in Brazil during 1941. Manufacturers' output was high and retail sales excellent. Building activities which have been on a high level for the past six years took on added vigour to such an extent that towards the end of the year the domestic cement industry found it impossible to supply the local demand and a system of rationing was introduced. Bank clearings increased and business failures decreased.

In the political skies clouds were constantly appearing on the horizon, but generally speaking never developed beyond vague potentialities and had but little real effect on general conditions.

## IMPORTANCE OF MAKING CONTACTS

Any forecast for the future must take into consideration the uncertainties of war. From the point of view of Canada, this is particularly important. Canadian exporters should make an effort to cultivate this market at this time. Contacts made to-day may be far reaching when peace is reached. In the post-war scramble for markets, the inexperienced exporter will find it difficult to find buyers, whereas to-day anyone with a salable commodity has buyers knocking at his door.

## ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

## IV. National Finances

The national public debt of Argentina was the equivalent of \$1,745 million at the beginning of 1941. The national public debt outstanding at January 1, 1941, was as follows:—

	External Equivalent in Millions of Dollars	Internal	Total
Consolidated debt . . . . .	367.9	1,148.6	1,516.5
Floating and short term . . . . .	.....	229.0	229.0
Total national debt . . . . .	367.9	1,377.6	1,745.5
Per capita debt . . . . .	.....	.....	126.0



The position of the consolidated national, provincial and municipal public debt of Argentina at June 30, 1940, was as follows:—

	External Aggregates	Internal Equivalent in Canadian Dollars at Buying Rate	Total
National . . . . .	470,311,690	1,265,603,037	1,735,914,727
In pounds sterling . . . . .£	44,514,545	.....	.....
In U.S. dollars . . . . . \$	193,543,346	.....	.....
In Swiss francs . . . . . S. Fcs.	132,526,100	.....	.....
In Spanish pesos . . . . . Pesos	80,519,500	.....	.....
Provincial . . . . .	174,208,151	350,430,158	524,638,309
In pounds sterling . . . . .£	16,955,996	.....	.....
In U.S. dollars . . . . . \$	72,348,090	.....	.....
In Swiss francs . . . . . S. Fcs.	28,149,156	.....	.....
Municipal . . . . .	19,502,038	261,539,422	281,041,460
In pounds sterling . . . . .£	2,461,580	.....	.....
In U.S. dollars . . . . . \$	7,286,205	.....	.....
In French francs . . . . . F. Fcs.	2,785,000	.....	.....
Total . . . . . \$	664,021,879	1,877,572,617	2,541,514,496
Per capita debt . . . . . \$	48.07	136.10	184.17

In the above table the actual number of pesos received for the loans are converted. The current equivalent would be approximately 14 per cent less.

The amount of the national public debt services was the equivalent of \$81,000,000 in 1940 which represented 26·5 per cent of the ordinary revenues of the National Government collected in 1940.

#### INTERNAL DEBT CONVERSION

Due to the easy situation in the local market, the Argentine Government successfully carried through an internal debt conversion operation in November, 1941, which affected approximately the equivalent of \$927,800,000 of the national consolidated debt. The bonds converted were the former 5 per cent and 4½ per cent internal peso issues free from income tax. The new issue was of 4 per cent, subject to income tax and the issue price was 93. Holders of the old issues had the option of taking cash but only a very small proportion took advantage of it. A similar operation was subsequently carried through successfully affecting approximately the equivalent of \$483,000,000 of similar issues of the National Mortgage Bank. These were also converted to new 4 per cent issues. The current quotations for these new conversion issues gives a yield of around 4·25 per cent per annum.

In June, 1941, the Argentine Government placed the equivalent of \$85,000,000 in Treasury Bills at 2·75 per cent with the local banks and the private banks took these up fully. They were one- to five-year terms, 20 per cent to be redeemed annually at par with the Government reserving the right to redeem the total issue at any time on three months' notice. The proceeds were transferred by the Central Bank to the Bank of the Nation in order to relieve that semi-official institution of part of the burden of carrying the grain surpluses under the guaranteed minimum price policy.

#### ORDINARY REVENUES

The total of the ordinary revenues collected from taxes by the National Government was the equivalent of \$317,000,000 in 1939 and \$305,000,000 in 1940. Of the 1939 figure, 33 per cent came from customs dues and port charges. Another 18 per cent came from excise taxes on tobacco (45 per cent of total), wines (14 per cent), alcohol (11 per cent), automobile tires (8 per cent), matches (6 per cent). The remaining 16 per cent of the excise taxes came from sugar, perfumes, beer, silks, insurance, alcoholic beverages, playing-cards, jewellery, mineral waters and cigarette lighters. The National Government collected an additional \$26,000,000 on these excise taxes for the provinces and municipalities. Income

taxes contributed slightly over 11 per cent of the total ordinary revenues and \$8,000,000 additional was collected on this item for the provinces and municipalities. Stamp taxes represented 7 per cent, sales taxes 4 per cent, and succession dues 2 per cent. The remaining 25 per cent came from oil and mining royalties, posts and telegraphs, the national lottery and sundry revenues.

The unified excise taxes and other taxes collected by the National Government and shown above as having been passed on to the provinces and municipalities is the partial consummation of the program started some years ago of transferring part of the provincial and municipal public debt to the National Government. There has been a re-allocation of taxation powers as between the National Government and the provinces. The attraction to the provinces was of course the lower interest rates under national guarantee and economies and greater efficiency in collections. The National Government collected altogether for the provinces and municipalities \$72,000,000 in 1939 and \$79,000,000 in 1940. In addition to the collections for the provinces and municipalities previously cited, these included \$27,000,000 as their share of the gasoline tax in 1940. The difference was from their share in the sales tax, licences, race-track taxes, lotteries, railways and a surcharge on wines.

The Argentine Ministry of Finance announced on March 14, 1942, that the budget deficit in 1941 was finally the equivalent of \$83,000,000. The final deficit in 1940 was given at \$57,000,000 and it was stated that the 1942 deficit, unless there are further economies may reach \$100,000,000. The floating debt was increased by \$140,000,000 in 1941. The public works program of the National Government has been announced to cover \$70,000,000 for irrigation works, sanitary works and public buildings in 1942.

Late in 1933 Argentina touched the bottom of the depression of the early thirties. The question of the day was whether a creditor country such as Argentina, which had to sell farm products in world markets and so face the effects of the wide fluctuations in volume of production and in prices inherent in such a position, could afford indefinitely to continue with the automatically direct and inflexible connection between her circulating media and the current balance in her international payments position. For only a third of the time during three-quarters of a century previously, Argentina had been able to stay on a basis where gold could be freely converted to paper or vice versa. The question was therefore whether the connection between the balance of payments position and the circulating media was not too close or too narrow and if the peculiar situation of Argentina did not call for more elasticity in the system.

It has been Argentina's experience as a primary producer that a decline in imports is slow to follow a decrease of exports or of other items on the credit side in the balance of payments. This is particularly true of such manufactured goods as automobiles.

The Argentine approach to this problem in 1933 was coloured by the effect on the background of export market prospects that had been created in the previous year by the signing of the Ottawa agreements. Argentine wheat had been subjected to an import duty and Argentine meats to import quotas in the United Kingdom, to be followed eventually by import duties on her meats as well a few years later. At the time there seemed to be no better prospects for outlets for Argentine products in the United States and everything pointed to the necessity of strengthening her own position defensively through the best means at her disposal.

During the four years prior to 1933, Argentine production of exportable farm products had only fallen by 8.2 per cent in volume but their value was down by 51 per cent according to official figures. Wholesale prices for non-farm products had been reduced by 6.6 per cent during this period. Agricultural land rental values had decreased by approximately 50 per cent whereas interest, taxes and



transportation costs had remained more or less constant. The official measures adopted with a view to lightening the farm land mortgage burden had not in any degree balanced production costs with farm prices.

The floating debt of the National Government was nearly the equivalent of \$300,000,000 and showed little reduction from the peak figure for 1930, when the position of the government finances had been largely instrumental in bringing about a change in the Government. There had been budgetary deficits each year since 1930. A heavy influx of foreign capital in 1930 represented by special borrowings helped for a time to prevent an earlier depreciation of the peso which would have normally checked imports of goods. The rigid system of exchange control that had been established later in 1931 to check the later currency depreciation had led to an accumulation of approximately \$120,000,000 of blocked dollars, sterling and other currencies. The peso had been held but the excess demand was still latent since the blocked funds were merely converted into a floating commercial debt and the artificially high value of the peso resulting continued to attract the low-priced goods of the period from Europe. That the unemployment problem had not become acute was due solely to the resiliency of the worker strata of the social structure, the result of close family ties and the abundance of cheap food.

The governmental decisions which were made late in 1933 with a view to remedying this situation and the governmental measures adopted during the subsequent two years gave a direction to the economy of the country which has been followed in principle to the present time. These measures were a prelude to the later establishment of a Central Bank in 1935.

### BALANCE OF PAYMENTS POSITION

The Argentine balance of payments position for the years from 1926 to 1935 will further illustrate the problems which led to the adoption of new governmental measures in November, 1933.

#### *Argentine Balance of Payments Position 1926-1935*

	(Argentine Central Bank Figures)									
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
	Figures in Thousands of Argentine Pesos									
<b>Credits</b>										
Current										
Merchandise exports . . . . .	1,824	2,324	2,428	2,196	1,414	1,475	1,305	1,141	1,618	1,726
New private investments ..	87	51	185	80	245	68	15	15	150	150
New public investments ....	165	234	59	....	238	....	....	....	....	....
Sundry .. . . . . .	18	20	21	25	17	38	34	34	43	48
Extraordinary										
Gold exports .. . . . . .	....	....	....	403	71	562	18	....	61	12
Unblocking loans .. . . . .	....	....	....	....	....	....	....	298	62	7
Return short term invest- ments .. . . . . .	....	....	....	....	80	....	....	....	....	....
Total credits .. . . . . .	2,094	2,629	2,693	2,704	2,065	2,143	1,372	1,488	1,934	1,943
<b>Debits</b>										
Current										
Merchandise imports . . . . .	1,569	1,668	1,902	1,959	1,680	1,174	836	897	1,110	1,175
Public debt services .. . . .	110	122	132	135	158	203	189	176	212	194
Public expenses, other .. . .	23	70	69	24	31	21	16	16	21	26
Private financial services ..	306	317	336	354	310	280	270	250	270	285
Private remittances .. . . .	102	116	122	128	103	95	85	69	75	87
Repatriation public debt ..	....	....	....	....	....	156	....	....	72	....
Cancellation commercial debt	....	....	....	....	....	145	40	28	54	52
Gold imports .. . . . . .	5	196	197	....	....	....	....	....	....	....
Short term obligations .. . .	....	....	....	80	....	....	....	....	....	....
Withdrawal capital .. . . .	....	....	....	....	45	91	35	....	....	....
Total debits .. . . . . .	2,115	2,489	2,758	2,680	2,327	2,165	1,471	1,436	1,814	1,819
Net balance .. . . . . .	- 21	+ 140	- 65	+ 24	- 262	- 22	- 99	+ 52	+ 120	+ 124
Movement bank assets ..	+ 19	- 115	+ 15	- 16	+ 117	+ 22	- 20	- 49	+ 2	- 50
Remainder .. . . . . .	- 2	+ 25	- 50	+ 8	- 145	....	- 119	+ 3	+ 122	+ 74

The initial series of governmental measures towards the end of 1933 were designed primarily to adjust in some measure the existing disparity in purchasing power of that section of the population engaged directly in the agricultural and live-stock industries and the remainder of the population, also to control the external balance of payments and lastly to achieve a better balance in the local economy by encouraging the development and expansion of domestic manufacturing industries. It might be pointed out that in Argentina the Spanish word "agricultura" is used to refer to cultivated crops and "ganadería" to refer to the live-stock raising industries. The use of two distinct words is symptomatic of the distinction in Argentina between these two branches of agriculture which represent enterprises apart from the ownership of the farm land.

The first move of the Government was to contract foreign currency loans for the purpose of liquidating the blocked funds, which were largely sterling and United States dollars. These loan transactions were a success. At the same time the rigid system of exchange control was modified to a flexible system by establishing, in addition to the fixed official rates, a free rate of exchange which was allowed to fluctuate and to find its level based on supply and demand. A prior permit system for the issuance of import permits was then introduced to cover approved payments for imports or services abroad at the official rate, while other imports of merchandise and other financial transactions had to be met at the higher and variable free rate, thereby providing an automatic check on excess imports and straight financial remittances abroad. The free rate represented the safety valve of the new exchange control system, and precluded the reappearance of a blocked funds problem, since goods could not be imported without a permit. The unblocking loans had eliminated the deficit in the current balance of payments and 1933 ended in a state of comparative equilibrium in the external payments position of the country.

The second move was to depreciate the value of the peso in November, 1933. The buying rate for the peso was reduced at first by 16.6 per cent in relation to sterling and shortly afterwards was pegged at 15.00 pesos to the pound. The buying rate was not changed again until the outbreak of war when it was depreciated by another 10 per cent, i.e., 13.50 to the pound where it is to-day. At first the selling rate fell 17.8 per cent against sterling and within a month the difference was 21.7 per cent. By 1934 it had depreciated 22 per cent. The official purpose of the depreciation of the peso was to give the Argentine farmer more pesos immediately for his exportable surpluses while consumers had to pay more for their imported goods. The Argentine farmer contributes some 90 per cent of all the exports from Argentina, while 74 per cent of all the domestic consumers are urban dwellers here. Depreciation of the currency was merely used of course as a means of effecting a redistribution of the income of the country since it could not affect the wealth as a whole of the country. The level of all farm prices, it is stated officially, rose by 22 per cent, following the depreciation of the peso between November, 1933, and June, 1934, against a corresponding rise in world prices (based on corresponding prices in the United Kingdom) of only 2.1 per cent during this period. Savings deposits in rural branches increased for the first time in five years by 5 per cent over this period.

The third move was to place a floor under grain prices. The minimum prices for wheat, corn and flaxseed were announced at the same time as the depreciation of the peso in November, 1933. Argentina initiated in this way her present minimum price policy for grain. Grain prices had reached their lowest level in 1933. Wheat was 13 per cent below the minimum which had been fixed in November, 1933. By July, 1934, all grain prices were above the guaranteed minimums due, as regards wheat, to the rise in world prices in the summer of 1934. Consequently the depreciation of the peso was fortunately timed at least to anticipate by about six months the general rise in world farm prices. The floor under the prices of live export cattle was not placed until a later date.



Although the Argentine Central Bank, which to-day plays an important role in directing the economy of the country, was not established until May, 1935, the present directional functions of the Central Bank were required in part as a result of the measures introduced in 1933. The management and other personnel of the new Central Bank were drawn from the Ministry of Finance where they had helped draft the earlier measures. In addition to the usual functions of a central bank, it controls the balance of external payments both as a whole and as between countries within the limits established by existing trade and payments or compensation agreements through the bank's operation of the exchange control system. It guides the operations of the private banks. It influences local manufacturing industries through its control of the imported raw materials and control over imported goods that compete with local production under the import permit system.

A plan was under consideration, but has been temporarily shelved to "mobilize the idle reserves" of the private banks to be loaned to approved new or expanding local industrial enterprises. In August, 1941, a project of law was sent to Congress providing specifically for loans of approximately the equivalent of \$80,000,000 to local industrial firms. The loans were to be made by the private banks with funds provided by the Central Bank. It is the Central Bank which provides the funds needed from exchange profits to meet the losses under the guaranteed minimum price policy to live-stock and grain producers.

The level of domestic business in Argentina since the outbreak of the war has been maintained at nearly normal largely by artificial means directed by the Central Bank. The more or less casual observer can see comparatively few outward effects on the general commercial activities of the country from the war. The State is creating much of the purchasing power that is in the hands of the public through purchase of the unsalable crop surpluses. While export commodities are now moving abroad at greater than normal levels and at higher prices, excess local purchases of imported goods from abroad, which would in normal times absorb this surplus of purchasing power in the hands of the public here, are no longer possible. This situation must lead in the end to some form of official rationing of the imported goods and to the adoption of some method of controlling the internal price level of certain commodities at least. Otherwise this excess of artificially created purchasing power will lead to a scramble on the part of the public for the goods that are available.

Economic controls and the direction that has been given to local economy by the Central Bank under the exceptional conditions ruling in the thirties and since the outbreak of the war has produced a high degree of stability in the local commercial structure. This is reflected by the fact that bankruptcies last year were the lowest on record since the twenties. As a matter of fact, there has been a steady decline in each successive year since 1931. Undoubtedly one reason for this is that inflation of inventories has been made difficult by the import control system. The element of speculation in commodity prices and land and share values has largely disappeared, although it may be that relatively unefficient enterprises have been kept in operation.

## WINE INDUSTRY OF CALIFORNIA

J. C. BRITTON, CANADIAN TRADE COMMISSIONER

Los Angeles, May 4, 1942.—Grape cultivation was first undertaken in California by the Franciscan Missions, later passing into the hands of agriculturists. The grape-growing industry profited by infiltration of European vineyardists who remained in California following the gold rush. The type of cultivated grapes grown in California are for the most part similar to those produced in the countries bordering on the Mediterranean and are known as "European" grapes. The imposition of prohibition seriously affected some

vintners, but there was a market for grapes, and medicinal and sacramental wines, and in supplying this demand many growers improved their vineyards. Following repeal, the wine industry developed rapidly, until California is now the most important grape-producing area in the United States, supplying about 90 per cent of all wine produced in the country.

#### GRAPE ACREAGE AND PRODUCTION

The area bearing grapes in the State of California in 1941 was 490,000 acres, an increase over the 1940 area of 7,755 acres. Wine grapes represent about 33 per cent of the total grape acreage of the state, but some raisin and table varieties also are crushed for wine. The principal grape-growing areas are located in Fresno County, Tulare County and the San Joaquin Valley, the last having been found most suitable for cultivation of wine varieties. The main types grown for wine are Zinfandel, Carignane and Alicante Bouschet.

The indicated production of all varieties for the vintage year 1941, beginning July 1 (1940 figures in parentheses) was 2,411,000 tons (2,246,000 tons), of which wine grapes comprised 583,000 tons (607,000 tons); table grapes, 407,000 tons (430,000 tons); and raisin grapes, 1,421,000 tons (1,209,000 tons). The total farm value of all grapes produced in 1941 was \$53,411,000, averaging \$22 per ton as compared with \$35,125,000 in 1940 averaging \$16 per ton. The entire crop of wine grapes is not utilized solely for wine, as over the past four years (1937-40) only 73 per cent have actually been crushed for wine and brandy. During this four-year period, an average of 47 per cent of table grapes and 10 per cent of raisin grapes have also been used for wine.

#### WINE PRODUCTION

The commercial grape crush for the 1941 vintage season (1940 figures in parentheses) reached the highest figure on record, aggregating 1,126,197 fresh tons (995,981 tons). Vintners obtained an average of 100 gallons of juice to the ton. The gross production of wines rose accordingly, totalling 111,229,000 gallons (101,710,000 gallons). Of this total, 32,825,000 gallons (21,810,000 gallons) were table wines; 77,181,000 gallons (79,008,000 gallons) were dessert wines; 690,000 gallons (596,000 gallons) were wine vermouth; and 533,000 gallons (296,000 gallons) were sparkling wines.

A growing consumer demand for white table wines was responsible for the striking increase recorded in 1941, the output reaching nearly double that of the previous season. Production of red table wines remained relatively unchanged, while that of dessert wines was maintained at a high level, mainly for ageing purposes, despite a slight decrease in consumption. Port, sherry and muscatel led in types of dessert wines produced. Production of wine vermouth, champagne, and sparkling wines also showed a substantial increase.

Stocks of wine on hand at the bonded wineries and bonded storerooms on December 31, 1941 (1940 figures in parentheses) totalled 163,331,000 gallons (144,261,000 gallons), approximately twice the indicated volume of consumption of California wines in 1941. About 40 per cent of the wine inventory is generally reserved for ageing and is not intended for sale during the following year.

#### WINE CONSUMPTION

The consumption of wine in the entire United States increased at much the same rate as in previous years. During the calendar year 1941 approximately 100,000,000 gallons of wine were consumed, of which California supplied 88.7 per cent; other states accounted for 9.5 per cent, and 1.8 per cent was imported. In 1940 consumption of wine totalled 89,813,000 gallons, California supplying 83.9 per cent.



Sales of California wines in all markets increased by 18 per cent between 1940 and 1941. The bulk of California wine is distributed outside the state, the volume of these sales in 1941 totalling 68,376,522 gallons, or 77 per cent of all wine sold, as compared with 55,986,412 gallons, or 74 per cent, in 1940. Approximately 575,000 gallons were exported to foreign countries during 1941, an increase of nearly 61 per cent over the figure for the previous year. This increased export business may to some extent be attributed to the aggressive efforts of the newly formed California Wine and Brandy Export Association and also, of course, to the curtailment of shipments from former overseas suppliers such as Italy and France. Out-of-state sales were augmented by extensive trade promotion and advertising campaigns, coupled with continuous improvement in the quality of California wines.

### PRICES

Retail prices of wines in Los Angeles vary widely, ranging for port from 42 to 88 cents per quart; sherries, 42 cents and 73 cents to as high as \$1.25; muscatels, 42 to 88 cents; and for claret, sauterne and burgundy from as low as 30 cents to 75 cents and \$1. Federal excise taxes on wines were increased on October 1, 1941, to 8 cents per gallon on table wine, 30 cents on dessert wine, and by over 100 per cent on all other wines. United States exports of wines are not subject to federal excise taxes.

### IMPORTS AND EXPORTS

Imports of wines into the United States in 1940 (latest figures available) totalled 3,607,303 gallons, a slight decline from the 1939 imports of 3,929,040 gallons. France and Italy were the principal suppliers.

Exports of wines in 1940, however, were four times greater than in the previous year, amounting to 397,633 gallons as against 86,519 gallons in 1939. Following is a table of the principal foreign countries to which the United States exported wines in 1940, with comparative figures for 1939:—

#### *United States Exports of Wines*

	1940 Gal.	1939 Gal.
Asia .....	214,016	381
French Indo-China .....	199,923	....
China .....	13,262	261
Caribbean area .....	53,899	13,749
French West Indies .....	11,998	....
Haiti .....	11,380	389
South America .....	31,735	18,994
Colombia .....	17,583	6,218
Venezuela .....	8,210	2,434
Ecuador .....	5,208	10,238
Central America .....	40,189	23,496
Canada .....	6,694	1,910
Greenland .....	1,797	....
Mexico .....	4,919	310
Total exports .....	397,633	86,519
Total value .....	\$184,605	\$59,625

### BRANDY

During the first half of the 1942 fiscal year (July 1 to December 31, 1941) the output of brandy has exceeded the whole 1941 production of 24,754,295 gallons. Conservative estimates for the 1942 fiscal year indicate a total of 28,400,000 proof gallons, consisting of 3,600,000 proof gallons of beverage brandy and 24,800,000 gallons of high-proof brandy. The greater part of the production is high-proof brandy for immediate and future use in making dessert wines. California brandy is derived almost entirely from grapes. The recent increases in production of

beverage brandies have been principally due to marked curtailment of imports from overseas resulting from the war and to increased opportunities for the export of California brandies.

Consumption of all beverage brandy in the United States in 1941 totalled 2,542,000 gallons, a decline from 2,612,000 gallons in 1940, resulting mainly from the cessation of shipments from Europe. However, the consumption of California brandy during 1941 exceeded the 1940 figure by nearly 500,000 gallons, and it is likely that California brandy will eventually meet the domestic market requirements formerly supplied by foreign brandies.

A total of 143 stills are operating in California, of which about 125 are the continuous column type, the others being pot stills. They rate a 24-hour capacity of 865,318 and 17,929 proof gallons, respectively.

### IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to May 2, 1942.

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to May 2, 1942	
				Quantity	Per Cent
Cattle (700 lb. or more) . . . . .	Head	225,000	3 to 1½c. per lb.	87,117	38.7
Cattle (less than 200 lb.) . . . . .	Head	100,000	2½ to 1½c. per lb.	28,960	28.9
Whole milk . . . . .	Gal.	3,000,000	6½ to 3¼c. per gal.	1,664	....
Cream . . . . .	Gal.	1,000,000	56% to 28% loc. per gal.	356	....
Filletted fish, fresh or frozen: Cod, haddock, hake, pollock, cusk and rosefish . . . . .	Lb.	15,000,000	2½ to 1½c. per lb.	3,309,651	22.0
Seed potatoes . . . . .	Bu.	1,500,000 beginning Sept. 15, 1941	75 to 37½c. per 100 lb.	542,379	36.1
White or Irish potatoes, other than seed potatoes . . . . .	Bu.	1,000,000 beginning Sept. 15, 1941	75 to 60c. per 100 lb. Dec. 1 to end of February; 37½c. Mar. 1 to Nov. 30	19,997	1.9
Red cedar shingles . . . . .	Sq.	2,617,111	Free	1,181,347	45.1
Silver or black foxes, furs and articles: * Foxes valued under \$250 each and whole furs and skins No. . . . .		100,000 beginning Dec. 1, 1941	50 to 35% ad val.	41,130†	41.1
Tails . . . . .	Piece	5,000 beginning Dec. 1, 1941	50 to 35% ad val.	5,000	Quota filled

\* The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the Agreement.

† For period up to April 30, 1942.

During the second quarter of 1942 Canada shipped 40,276 head of cattle weighing 700 pounds or more, other than dairy cattle, to the United States, or 77.8 per cent of the quarterly quota allotment of 51,720 head provided for by the United States. The second quarter allotment of 8,280 head from countries other than Canada was filled, and receipts over and above this allotment were subject to the full rate of tariff.



## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### FLEXIBLE LICENSING EXTENDED TO MORE GOODS

With reference to amendments to the import licensing schedule effective in Australia on April 1, 1942, as announced in *Commercial Intelligence Journal* No. 1993 (April 11, 1942) page 378, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, writes that items of interest to Canadian manufacturers and exporters that have now been transferred from a "quota" to an "administrative" licensing basis include: Cream separators and parts, adding and computing machines and parts, certain types of meters and temperature measuring devices, covered wires and covered cables, hurricane lamps and hurricane lanterns—except pressure feed, miners' safety lamps, inserted-tooth circular saws, band saws, files, turpentine, pine oil, medicinal paraffin oil, chrome colours and oxides, phenacetin, compressed corkboard and sheets. Each application for licence to import any of these commodities will be referred to the Division of Import Procurement, Department of Customs, for consideration on its merits. This method of treatment will make for greater flexibility than fixing an import quota for each item.

### Newfoundland

#### IMPORT LICENCE REQUIRED FOR SALT

With reference to the article in *Commercial Intelligence Journal* No. 1998 (May 16, 1942), page 532, regarding Newfoundland control of salt importations, regulations, issued by the Commissioner for Natural Resources in that Colony on May 15, now prohibit the importation of salt except under licence to be granted by the Commissioner. The regulations also permit the Commissioner to fix prices to be charged for salt.

A press communique issued by the Department of Natural Resources says that the Regulations give the Commissioner authority to issue directions relating to the time, manner, and place of importation of salt, the quantities and qualities to be imported and the countries from which importation may take place. Persons desirous of importing, the communique states, should make application to the Secretary of the Newfoundland Fisheries Board, Duckworth Street, St. John's. In view of the shortage of shipping space applications to import will only be issued to persons who imported salt in the year ended December 31, 1941, or to persons who own vessels and are prepared to send such vessels to such places as the Commissioner may direct for cargoes of salt.

### Barbados

#### MANY MEDICINES LISTED AS NON-ESSENTIAL IMPORTS

Mr. G. A. Newman, Canadian Government Trade Commissioner at Port of Spain, has sent the Department of Trade and Commerce an extensive list of patent medicines which the Barbados Import Control Authorities consider non-essential and for which they are not to issue import licences. In some instances the designation of the medicines includes the name of the manufacturer or agency which has been supplying the goods. There are many designations of a more general character. There is no corresponding list giving classes of medicines that will be licensed for importation. Firms interested in learning whether their goods are specified in the restricted category are invited to write the Department of Trade and Commerce giving the name under which their medicine is sold and they will be advised whether or not it appears in the restricted list.

## United States

### FOX FUR IMPORTS WITHOUT REFERENCE TO COUNTRY OF EXPORT

United States Treasury Decision 50630 of May 8, 1942, declared 41,774 as the number of silver or black foxes, valued at less than \$250 each, and whole silver or black fox furs and skins (with or without paws, tails, or heads), which may be entered, or withdrawn from warehouse, for consumption, without reference to the country of exportation, during the period May 1 to November 30, 1942. Paragraphs 2, 3 and 4 of Article 2 of the supplementary trade agreement between Canada and the United States, signed December 13, 1940, allotted to Canada, for a 12-month period, 70,000 of such silver or black fox fur skins out of a total allowed from all countries of 100,000. Not more than 25 per cent of the yearly quota may be entered, or withdrawn from warehouse, for consumption during any one month. Paragraph 5 of Article 2 provided that any part of the total permitted quantity which has not been entered, or withdrawn from warehouse, for consumption prior to May 1 of each year, may be allowed during the remainder of the quota period without reference to the country of exportation or the 25 per cent monthly limitation. As the Secretary of the United States Treasury, as soon as possible after May 1 of each year, is to make public the number of fox fur units which may be entered under this provision of paragraph 5 the aforementioned Treasury Decision has been published. A year ago the corresponding figure announced was 3,596 and it was all taken up by May 23, 1941.

### FREE ENTRY OF SUPPLIES IMPORTED BY RED CROSS

Food, clothing, and medical, surgical, and other supplies imported by the American National Red Cross will be admitted into the United States free of duty under regulations issued May 5, 1942, by the Treasury Department, pursuant to proclamation made by the President, declaring an emergency to exist by reason of a state of war with Japan, Germany and Italy. Section 318 of the Tariff Act of 1930, empowers the President to authorize importations free of duty for use in emergency relief work. The free entry authorized is to apply with respect to importations entered for consumption on and after the date of the regulations and prior to termination of the state of war, or such earlier date as the President may declare that the emergency has ended. In connection with the entry of such relief goods, a duly authorized representative of the American National Red Cross or of any chapter must file a declaration that the food, clothing, and medical, surgical, and other supplies are imported by the Red Cross and will be used in emergency relief work in connection with the war.

## Chile

### INVOICES AND CERTIFICATES OF ORIGIN

Mr. M. J. Vechsler, Canadian Trade Commissioner, reports that because authorization granted to import goods into Chile corresponds with the orders filed when the importer makes application for import permit to the exchange control, all imported goods should be exactly as ordered. To secure authorization for release of the goods from customs when the goods arrive, the importer is obliged to present the commercial invoice, bill of lading and certificate of origin.

The Trade Commissioner has been informed that certificates of origin and packing lists for parcel post shipments, instead of being sent under separate cover by air mail, are sometimes enclosed in the parcel and points out that this makes it impossible for the interested party to obtain the Exchange Commission's approval which is necessary to clear the goods through the customs.



## Abyssinia and Eritrea

## CURRENCY SITUATION

Mr. C. S. Burrill, office of the Canadian Trade Commissioner, Cairo, advises under date March 20, that Barclays Bank (D.C. & O.) has been appointed Official Currency Agent for Abyssinia and Eritrea. Technically, these countries are not yet within the sterling area and until recently several currencies were simultaneously circulated freely, especially in Addis Ababa where sterling, East African, Egyptian and Indian coins, and the Maria Theresa thaler competed on almost equal terms in the general circulation. It is understood that East African currency, which is, basically, the same as that of South Africa, is being introduced into these two territories as the principal medium of exchange. Barclays has already branches in Addis Ababa and Asmara and may soon open a branch at Massawa.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 26, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, May 26, 1942, and for the week ending Monday, May 18, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 18	Nominal Quotations in Montreal Week ending May 26	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2615	.2617	—
Brazil . . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0573	.0573	3-4½
		Export	.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6328	.6328	4
Venezuela . . . . .	Bolivar	.1930			
		Official	.3313	.3313	—
		Free	.3291	.3319	—
Uruguay . . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

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C. H. PAYNE, *Director*

---

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*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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## DEHYDRATED BUTTER IN NEW ZEALAND

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, April 21, 1942.—As the result of research work by the Dairy Research Institute dating from before the war New Zealand is now producing dehydrated butter or dried butterfat, and the British Government has contracted to take up to 20,000 tons during this season and next. This development, occurring at a time when New Zealand's shipments of whey butter to the United Kingdom have ceased through lack of refrigerator space, is of considerable help to the dairy farmers of the Dominion, as well as a valuable contribution towards Britain's demand for fat.

The possibilities of producing dried butterfat were investigated a few years ago when it was believed a market existed for it in certain parts of the world not served by refrigerator ships. After the outbreak of war the deterioration of the shipping position caused a progressive reduction in exports of creamery butter and after a period the complete elimination of exports of whey butter. In view of the resultant surpluses the matter assumed great importance and a satisfactory method of processing whey butter with the plant available was devised. A trial shipment of 400 tons was made some months ago to England and was very well received. The opportunity for large scale operations therefore presented itself.

Only pure unsalted whey butter is used in the manufacture of dry butterfat, though experiments are being carried on to provide an outlet for creamery butter as well. The butter is melted over a jet of steam and the melted fat and condensed steam are run into a cylinder which automatically separates the water that settles by gravity from the butterfat-water solution. After then going through two cream separators the material undergoes a final process of dehydration in a vacreator. It is then subjected to a special technique of cooling, filled into sterile canisters and sealed. It can be stored and shipped as general cargo. The product can be used in its dry state by pastry cooks and ice-cream manufacturers and the conversion of fat into butter is achieved simply by adding water and salt. It is regarded as a very suitable item in a parcel to soldiers and prisoners of war as it keeps better than tinned butter.

By the end of next year it is anticipated that from 10,000 to 20,000 tons of dry butter will have been processed, but production is governed by the shipping situation and the stocks of butter available. Facilities to produce on a large scale will likely be completed in Auckland by the beginning of next July. In the meantime a small plant is turning out 10 to 12 tons per day. The plant that will be available in July, it is announced, will enable all surplus whey butter and the very small quantity of second grade creamery butter made in New Zealand to be processed.

Although the United Kingdom demand for dry butterfat may end with the conclusion of hostilities, it is considered possible that a market of value to New Zealand may be developed in other countries to which refrigerator ships do not run.

## JAMAICA'S MEAT TRADE

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, May 21, 1942.—Considerable quantities of meats, mostly preserved, are imported into Jamaica each year. In 1941 when, notwithstanding the war, the trade was of about average volume, imports were made as hereunder:—

### *Imports of Meat in 1941*

Meats, fresh:	Quantity Lbs.	Value £ (c.i.f.)
Beef . . . . .	61,554	2,027
Mutton . . . . .	47,533	1,887
Poultry and game . . . . .	14,956	969
Other kinds . . . . .	32,967	1,695

*Imports of Meat in 1941—Concluded*

	Quantity Lbs.	Value £ (c.i.f.)
Meats, canned . . . . .	750,185	31,376
Meat specialties, chiefly extracts . . . . .	708	178
Meats, dried, salted, cured or smoked:		
Bacon . . . . .	299,991	19,466
Beef, pickled . . . . .	860,087	23,817
Ham . . . . .	364,883	29,549
Pickled pork . . . . .	1,192,935	30,809
Sausages, pickled . . . . .	48,536	2,731
Tongues, dry salted . . . . .	9	1
Tongues, pickled . . . . .	21,820	891
Other kinds . . . . .	5,201	331
Total . . . . .	3,701,365	£145,727

The totals in each of the three preceding years were:—

1940 . . . . .	3,296,418	£101,318
1939 . . . . .	3,882,847	101,077
1938 . . . . .	3,360,299	94,875

Of these various kinds, fresh meat represents a small upper-class luxury trade and is likely so to remain for a long time to come. The chief users are hotels.

Imports of fresh meat have considerably declined during the past three years, doubtless due chiefly to the war. Thus in 1939 the total for all kinds was 310,246 pounds valued at £9,519; in 1940 it was 249,916 pounds (£8,791); and in 1941, 157,010 pounds (£6,578).

Bacon, ham, sausages, canned meat and meat extracts are eaten mainly by the middle and upper classes, who are a relatively small minority of Jamaica's total population of about 1,250,000. The use of pickled pork as a savoury is fairly general. Pickled beef is used principally by the middle classes.

## RECENT TRENDS

As shown above, pickled pork, pickled beef and canned meats are in that order the kinds most largely used in Jamaica. In 1941 their aggregate quantity represented almost 80 per cent of the total imports of all varieties. The following comparison between, in each case, the yearly average of imports for 1934-38 and the imports in 1939, 1940 and 1941 is of interest:—

	Yearly Average 1934-38 incl. Lb.	1939 Lb.	1940 Lb.	1941 Lb.
Pickled pork . . . . .	797,443	867,554	732,900	1,192,935
Pickled beef . . . . .	1,203,793	1,362,160	1,135,065	860,087
Canned meat . . . . .	610,839	678,451	557,081	750,185
Total . . . . .	2,612,075	2,908,165	2,425,046	2,803,207

This table indicates an appreciable shift of consumption in 1941 from pickled beef to pickled pork, but not much variation in the combined quantities of these two kinds, as between average imports in the pre-war five-year period, and those in 1940 and 1941; however, the combined imports in 1939 moderately exceeded that average.

## BACON AND HAMS

A similar comparison is given below in respect of ham and bacon, respectively fourth and fifth in order of importance in the trade, representing in quantity, about 18 per cent in 1941.

	Yearly Average 1934-38 incl. Lb.	1939 Lb.	1940 Lb.	1941 Lb.
Ham . . . . .	385,153	389,283	256,640	364,883
Bacon . . . . .	194,620	284,808	248,613	299,991



The excess in 1939 over the 1934-38 average may have resulted—as in the case of pickled pork and beef and canned meat—from heavy buying in the uncertain market that prevailed for some time before the outbreak of war; but it would appear that short supplies of dried codfish in 1941 were to some extent responsible for the increased importations of all these articles in that year as compared with 1940. Codfish is eaten by all classes in Jamaica and among the peasantry and labourers is a staple article of diet. As shown in the report on the fish trade in Jamaica printed in *Commercial Intelligence Journal* No. 1984 (February 7, 1942), the codfish imports in 1941 were only slightly more than half the average annual quantity for the five-year pre-war period and about one-quarter less than in 1940. The two main factors in this decline were the rise in price of codfish and the increased domestic production of foodstuffs, vegetable foods for the most part. There was, however, some increase, of which definite particulars are not available, in the local output of some animal foods, and it seems that from these two sources and also from moderately increased imports of pickled beef and pork, canned meats, ham and bacon, the considerable shortage of codfish, amounting in round figures to eight million pounds in 1941, was counterbalanced.

#### DOMESTIC PRODUCTION

Precise information is not available concerning domestic production of animal foods, but there is reason to believe that the output of pork and poultry has increased, in consequence of the Government's wartime food-production drive. Ham and bacon are now cured in a small way at two packing houses owned respectively by the Jamaica Government and private capital, but production is said to be restricted by shortage of suitable hogs. A good deal of fresh pork is eaten in Jamaica, especially in the rural districts.

The local fresh beef situation is not altogether clear. In the Kingston and St. Andrew municipality where about one-tenth of the Colony's total population of 1,250,000 reside, the retail price of fillet steak fixed by the Food Controller is now 2s. per pound, that of liver 1s. 3d. Sirloin, rump, rib-roast, tongue and kidney cannot be sold above 10d. and inferior cuts range from 5d. to 8d. as compared with 1s. per pound for best pickled pork and pickled beef. In the rural districts retail prices of fresh beef are considerably less than in Kingston.

For many months fresh beef has been scarce in the city, and the Government is taking a cattle census with a view to regulating production and consumption.

The only available particulars bearing on the domestic output of cattle and the consumption of fresh beef is an annual return of the number of slaughterings, prepared by the Police Department, whose interest primarily lies in preventing breaches of market rules. According to this source, 36,719 head of cattle were slaughtered in the whole island in 1937, 35,326 in 1938, 33,927 in 1939, 32,506 in 1940, 36,359 in 1941, and 8,571 in the three months ending March 31, 1942. Slaughterings in the first quarter of the past four years are given as follows: 1939, 8,737; 1940, 8,062; 1941, 8,546; 1942, 8,571. These figures can be taken as broadly indicating the prevailing trend. Other factors are the breeding of more dairy cattle than formerly, to supply the needs of the local condensary, and the more extensive use of draught stock, on the sugar estates, due to the shortage of gasoline and of tires for motor vehicles. On the whole it seems reasonable to infer that the demand for fresh beef in Jamaica is now somewhat greater than it was just before the war. The considerable number of labourers employed at the American defence base are fed to some extent on locally produced fresh meat, and the coming to Jamaica, for the duration of the war, of a few hundred persons from other parts of the Empire has tended to increase the consumption of this article of food.

## CUSTOMS TARIFF

The Jamaican import duties on the articles dealt with above are:—

	British Preferential Tariff	General Tariff
Beef, fresh . . . . .	ad val. 15%	30%
Poultry and game . . . . .	ad val. 20%	30%
Meats, canned . . . . .	ad val. 10%	25%
Meat specialties, canned . . . . .	ad val. 10%	25%
Bacon and ham . . . . .	per 100 lb. 12s. 6d.	£1 5s.
Beef, pickled . . . . .	per 100 lb. 5s. 8d.	11s. 4d.
Pork, pickled . . . . .	per 100 lb. 5s. 8d.	11s. 4d.
Sausages, pickled . . . . .	per 100 lb. 12s. 6d.	£1 5s.
Tongues, dry salted . . . . .	per 100 lb. 12s. 6d.	£1 5s.
Tongues, pickled . . . . .	per 100 lb. 5s. 8d.	11s. 4d.
Other kinds of cured meat . . . . .	ad val. 20%	30%

There is, besides, a tonnage tax based on a rate of 6d. per 112 pounds gross weight, applicable to every package of meat imported into Jamaica.

Until recently Canadian products were not admitted to tariff preference unless imported direct from Canada, but this requirement has been withdrawn and shipments made via the United States may be entered at preferential tariff rates provided that the local customs requirements as to documentation are complied with. Information on this matter can be obtained on request from the Department of Trade and Commerce, Ottawa.

## INDUSTRIAL MINERAL PRODUCTION IN SOUTH AFRICA

H. L. BROWN, ACTING TRADE COMMISSIONER

Johannesburg, March 27, 1942.—The South African production of industrial minerals is of importance to the Union in providing a measure of resilience to the economic life of the country as well as constituting a useful contribution to the combined war effort of the United Nations. Statistics of production are no longer made public but the details are available up to the first months of 1941.

The following notes on the various industrial minerals in the Union have been compiled from the "Quarterly Information Circular" formerly issued by the South African Department of Mines and do not refer to production in South West Africa nor the native territories. The ton of 2,000 pounds is referred to in each case.

## EXPORTS

Exports of the more important base minerals from South Africa during 1940 were as follows:—

	Tons	£
Copper:		
Ingot . . . . .	8,798	376,802
Blister . . . . .	4,093	159,935
Manganese . . . . .	306,931	488,174
Asbestos . . . . .	22,371	487,402
Chrome . . . . .	116,332	116,106
Tin . . . . .	914	112,798
Corundum . . . . .	4,211	36,610
Ochres . . . . .	6,762	23,307
Fluorspar . . . . .	4,752	13,403

## ANDALUSITE

A plant to treat the andalusite-bearing sands found in the western Transvaal has been erected. It is anticipated that the whole output of concentrates will be utilized in the Union, probably for refractories. The recorded production in the first six months of 1941 was 2,542 tons but production amounted to only 446 tons in 1940.



## ANTIMONY

One company is producing a flotation concentrate and a hand spalled ore containing up to 63 per cent of antimony. Production figures for 1940 were 317 tons and exports of 308 tons of concentrates valued at £6,503 were made to the United Kingdom.

## ASBESTOS

The main varieties of asbestos produced in the Union at present are Crocidolite or blue asbestos (sold as "Cape Blue" and "Transvaal Blue"), which is usually graded according to lengths ranging from  $\frac{1}{8}$  to  $1\frac{1}{2}$  inch, and amosite, a whitish iron amphibole asbestos of which the first grades are noted for length of fibre and tensile strength. Mines in Swaziland are important producers of chrysotile but details are not included in the following table which shows production of each main type in 1940 in the Union only:—

*Asbestos Production in South Africa in 1940 (Not Including Swaziland)*

	Tons of 2,000 Lbs.
Amosite . . . . .	17,767
Anthophyllite . . . . .	78
Chrysotile . . . . .	646
Crocidolite:	
Cape Blue . . . . .	6,381
Transvaal Blue . . . . .	2,520
	<hr/> 27,392

Exports in 1940 amounted to 22,371 tons valued at £487,402 and were mainly to the United Kingdom and the United States.

## BARYTES

It is hoped to increase the production of barytes to meet domestic requirements. The crude ore is railed to Germiston near Johannesburg where ground barytes in grey, mid-white and super-white is prepared.

Occurrences in the Barberton district, investigated by the Geological Survey in 1939, show an average total thickness of six feet. The ore contains less than 1 per cent iron oxides and has a good colour index. Only one sample showed a silica content of over 3 per cent and all but one of the analyses showed 95 per cent or more of  $\text{BaSO}_4$ . The available material has been estimated at over 400,000 tons, mainly first grade. The deposit occurs in a most inaccessible locality and transport difficulties may hamper development.

Production in 1940 totalled 844 tons; the figure for the first six months of 1941 was 411 tons.

## CHROME

The South African production of chrome ore is fairly substantial, amounting to 180,390 tons in 1940 when 116,332 tons valued at £216,106 were exported, principally to the United States but in small amounts to the United Kingdom. The principal product is a friable run of mine ore containing 43 per cent to 46 per cent chromic oxide, which is not amenable to beneficiation by concentration and of which there are unlimited resources.

In recent years deposits of lesser extent have been located in the Rustenburg area of the Transvaal from which a concentrate containing up to 54 per cent chromic oxide is being prepared. The production of this concentrate containing a minimum of 48 per cent chromic oxide is limited by plant capacity and at present is about 80,000 tons per annum.

A small and limited quantity of hard lumpy ore containing 40 per cent to 44 per cent chromic oxide is also produced.

All the ores and concentrates are high in iron content which varies from 21 per cent to 26 per cent  $\text{FeO}$ . The vast resources amounting to hundreds of millions of tons give the industry an unlimited life.

## COAL

Coal is produced in quantity for domestic and industrial use and to a fair extent for export and ships' bunkers. Total sales at the pits in 1940 amounted to 18,934,005 tons valued at £5,325,932. Total production that year was 18,933,692 tons. The Transvaal accounts for about two-thirds of the total while Natal produces about one-quarter; the Orange Free State supplies practically all of the remainder and Cape Province mines only a few hundred tons annually.

## COPPER

For some years a company operating in the northern Transvaal has been the only producer of copper. Recently, however, the old copper mines in Namaqualand (northern Cape Province) have been re-opened and production at a rate of about 900 tons of blister per month commenced during July, 1940.

Production in 1940 showed 9,923 tons of ingot copper and 5,098 tons of blister copper of about 99.9 and 99.5 per cent purity respectively and 4,783 tons of copper concentrates averaging from 11 to 12 per cent. Exports in 1940 totalled 12,891 tons valued at £536,737 and went principally to the United Kingdom with a small proportion to India; copper ingots accounted for 8,798 tons valued at £376,802.

## CORUNDUM\*

Corundum is produced in quantity in South Africa and exports from the Union make a useful contribution to the available world supply. Actual production amounted to 4,211 tons in 1940 but the following table shows the various grades of corundum railed for export to the principal using countries in 1940:—

*South African Rail Shipments of Corundum for Export, 1940*

Grade	To United States		To United Kingdom		Total	
	Tons of 2,000 Lbs.	£	Tons of 2,000 Lbs.	£	Tons of 2,000 Lbs.	£
A1.....	.....	.....	33.6	374	33.6	374
B1.....	465.2	4,877	255.3	2,893	720.5	7,770
B2.....	51.4	458	.....	.....	51.4	458
B4.....	3.7	17	.....	.....	3.7	17
C1.....	615.8	6,226	.....	.....	615.8	6,226
C2.....	272.0	2,646	253.4	2,625	525.4	5,271
C3.....	103.4	805	226.8	1,877	330.2	2,682
D2.....	502.8	4,664	28.1	285	530.9	4,949
D3.....	683.9	5,071	.....	.....	683.9	5,071
D4.....	251.2	1,427	39.2	325	290.4	1,752
Boulder.....	366.5	1,760	.....	.....	366.5	1,760
Total.....	3,315.9	27,951	836.4	8,379	4,152.3	36,330

A plant to treat corundiferous rocks and prepare a concentrate for export is in course of erection in northern Transvaal.

## FLUORSPAR

Deposits of fluorspar have been located in western and central Transvaal and in Zululand. In western Transvaal three types of deposits have been opened: (a) pipe-like plugs of almost pure spar in dolomite, (b) gash-vein or impregnations of spar in dolomite, and (c) interbedded deposits. Two occurrences of (a), each yielding over 20,000 tons of acid spar, appear to have been exhausted. Developed reserves of interbedded occurrences are estimated as at least 60,000 tons, the spar content of which probably averages between 70 and 80 per cent.

The deposits in central Transvaal occur as veins or filings in fractures of red granite and the spar invariably contains stringers of quartz. Present production is almost entirely from this area.

\* See also Report "South African Production of Corundum", published in *Commercial Intelligence Journal* No. 1939, dated March 29, 1941.



In Zululand fluorspar occurs in a series of vertical veins but unfortunately quartz is frequently found in thin stringers or as a selvage to the veins and exploitation is rendered more difficult.

Production in 1940 amounted to 8,180 tons while exports, mainly to Japan, totalled 4,752 tons valued at £13,403.

#### GRAPHITE

A small production of amorphous graphite is recorded from a deposit in the Transvaal. Exploitation of extensive deposits of graphitic shale has not been found successful. Small quantities of selected material are, however, being used by local foundries. The entire production, which amounted to 86 tons valued at £2,436 in 1940, is used locally.

#### GYPNUM

Superficial deposits of gypsum are mined in Cape Province, Orange Free State and Natal. Production in 1940 amounted to 51,538 tons. The bulk of the material is used by local cement factories. Gypsum products manufactured in the Union include building plasters, wallboards and tiles.

#### IRON

Practically all domestic requirements are being drawn from the Thabazimbi deposits in the Rustenburg district and from the Pretoria townlands; the former is a hematite of the Lake Superior type containing an average of 65 per cent metallic iron. Production in 1940 amounted to 704,113 tons of ore of which 155,277 tons were exported during the second half of the year to the United Kingdom.

#### IRON PYRITES

There are no sulphur deposits in the Union beyond some of scientific interest nor are any large deposits of massive pyrites known except at one rather inaccessible place in Cape Province. At present the pyrites recovered from gold and tin mining in the Transvaal constitute the only source of sulphur. In 1940 the total production of iron pyrites amounted to 40,456 tons containing 17,910 tons of sulphur valued at £48,108.

#### KAOLIN AND CLAYS

By far the greater proportion of clays used in the South African ceramic industry is obtained from Cape Province. Refractory and semi-refractory clays occur in the Transvaal and other parts of the Union but, as far as can be ascertained, the best and largest deposits occur in the Witwatersrand area of the Transvaal.

Kaolins are at present being exploited in the Transvaal, Cape Province and Natal and are prepared and used locally. Production in 1940 totalled 2,591 tons.

#### KIESELGUHR

The deposit of kieselguhr being mined in the Transvaal consists of a large oval pan about 600 yards by 400 yards. The material, as dug out, resembles black peat and, after sun-drying, there is sufficient organic matter to make it self-calcining. The resultant product is white and powdery and contains about 95 per cent silica. Production in 1940 amounted to 815 tons.

#### LEAD

From time to time tonnages of lead have been produced from the various deposits. During 1940 about 167 tons of galena were produced with lead content ranging from 56 to 80 per cent.

## LIME AND LIMESTONE

The production of limestone in the Union in 1940 totalled 2,233,457 tons together with 222,143 tons of dolomitic limestone which does not include dolomite quarried for roads by provincial and divisional councils and municipalities. About five-sixths of the total was used in the manufacture of cement, about a tenth was used for fluxing and refractory purposes while the remainder went for agricultural and other purposes.

## MAGNESITE

Quarries are operating in the Transvaal where the ore is of the crypto-crystalline low-iron variety and is supplied in crude lumpy form of various qualities. Analyses show about 46 per cent magnesia. Large reserves of material containing a high silica and lime content are known to exist. Production of crude and calcined magnesite in 1940 aggregated 13,098 tons.

## MANGANESE

The Postmasburg deposits in northern Cape Province produce the following main grades of manganese which are available for export.

1st grade minimum	50 per cent Mn	5 — 9 Fe.
Medium grade minimum	46 per cent Mn	11 — 14 Fe.
3rd grade minimum	43 per cent Mn	13 — 17 Fe.
4th grade minimum	38 per cent Mn	13 — 24 Fe.
5th grade minimum	29 per cent Mn	20 — 32 Fe.

Production of all grades in 1940 totalled 454,233 tons of which 306,773 tons valued at £603,326 were exported, principally to the United States.

## MERCURY

Production of mercury on a small scale was commenced in northern Transvaal during 1940 and in the period July to December production amounted to 3,329 pounds.

## MICA

A small output of muscovite mica is being maintained in northeastern Transvaal. The cut and sheet mica is sold locally while waste mica has been exported to the United Kingdom and the United States. Production in 1940 amounted to 1,380 tons of waste mica and a scant half-ton of sheet mica.

## MINERAL PIGMENTS

Ochre of golden yellow colour and good staining qualities is produced in Cape Province while red oxides are produced in Natal. Production in 1940 amounted to 8,172 tons of ochres and 707 tons of oxides.

## CARBON DIOXIDE

Natural exhalations of carbon dioxide are being exploited in Natal mainly for local consumption. Production in 1940 totalled 5·3 million cubic feet of which 4·8 million were sold in the home market for £4,045.

## PLATINUM AND ALLIED MINERALS

A natural alloy of osmium and iridium, the so-called osmiridium, is recovered as a by-product of the Witwatersrand gold mining industry. The composition



is variable, containing from 26 to 43 per cent osmium closely followed by iridium and small quantities of platinum, ruthenium, rhodium and gold. Production of 5,000 to 7,000 ounces annually has been maintained for over a decade.

In addition, one mine in the Rustenburg district of the Transvaal mines platinum direct and produces crude metallics and a matte which are shipped abroad for further treatment. In 1940 the production of metallics amounted to 76,319 ounces while the production of matte totalled 1,175 tons averaging about 43 ounces per ton platinum group metals and gold, 25 per cent copper, and 40 per cent nickel.

#### SILCRETE

The silcretes of Cape Province are important raw materials for the manufacture of refractories.

#### SLATE

The Mazista slate quarries of Transvaal produce roofing slate in standard sizes. The quarries near Pretoria produce a dark blue fine-grained paving stone. In 1940 sales were valued at £33,906.

#### SODA ASH AND SALT

Soda ash is produced from a natural deposit in northern Transvaal, and with the salt produced as a by-product, is sold locally. Production of soda ash in 1940 amounted to 2,545 tons.

#### TALC

Ground talc is produced by two mines in Transvaal. The annual production, which amounted to 1,937 tons in 1940, is consumed locally.

#### TIN

The production of tin concentrates has averaged about 80 tons a month; a portion of the concentrates are smelted at one mine and sold locally. In 1940 production totalled 936 tons of concentrates and 96 tons of metallic tin.

#### TUNGSTEN

Tungsten ores (scheelite and wolframite) have been recorded in various parts of the Union but the small production up to the present has come principally from the deposits of pegmatitic origin in Namaqualand. Tungsten production in 1940 amounted to 99 tons containing 67·87 per cent  $WO_3$ .

#### VERMICULITE

In northeastern Transvaal a large deposit, estimated at over a million tons, has been systematically prospected. In all probability it has been formed from phlogopite mica by weathering. Owing to marketing difficulties there has been little production, although 11 tons valued at £60 were exported to Australia in 1940.

#### WONDERSTONE

Wonderstone is being quarried in western Transvaal and blocks up to practically any size can be obtained. It is soft and easily worked; it is fine-grained, light bluish-grey in colour and approximates pyrophyllite in chemical composition. Production in 1940 was 326 cubic feet.

## ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### V. National Finances—*Con.*

#### BALANCE OF PAYMENTS POSITION AFTER 1935

The governmental measures which gave new direction to the Argentine economy coincided more or less with the beginning of the upward trend in the world situation. The general business improvement after 1933 was accentuated for Argentina by the 1935-36 drought period in North America, which gave Argentina an opportunity to place her large corn surpluses of those years. This was followed by large Argentine grain surpluses for export at good prices in 1937. To modify the effects of the large favourable balance in 1937, Argentina used the equivalent of 455,500,000 pesos (rate 3.03 pesos to \$1) from her exchange reserves to repatriate debt, largely from the United States.

Poor crops for export created a deficit in 1938. Some of the gold imported in 1937 had to be re-exported and several small external loans contracted, including one each in Switzerland and Holland. The position was becoming favourable again before the outbreak of war. During all this period imports from North America had been seriously restricted by Argentina.

After the outbreak of the war, the external payments position could be considered under three broad divisions, i.e. countries having compensation agreements with Argentina, which included mainly sterling areas and Spain; the dollar area, including Canada and the United States; and, lastly neighbouring South American countries. The compensation or clearing agreements had all been closed, except those with Great Britain and Spain, at the end of 1940. Argentina was left with a favourable balance equivalent to \$40,000,000, of which half had been transferred to free currencies under the original agreements with Great Britain and France. In 1938, some 60 per cent of all Argentine imports had come through clearing agreements, 20.1 per cent from the United Kingdom, 10.3 per cent from Germany, and 29.6 per cent from other countries.

The two principal clearing agreements had been with the United Kingdom and Germany, the essential differences between them being that London did not permit Argentina to pay from the account a fixed proportion of her external public debt services due outside the sterling area. The agreement with Great Britain or the sterling area, however, was placed on a straight compensation basis in mid-1940. This has led to a blocked sterling problem for Argentina, which, to March, 1942, had repatriated £4,100,000 in sterling debt from these funds. However, it is not a propitious time for Argentina to raise internally the pesos required in these repatriation operations since all the pesos that she can raise here are needed to purchase her crops.

The balance of payments with the dollar area continued to be a serious problem after the outbreak of the war, and tended to become acute after mid-1940 when Argentina had to turn to North America for a large part of her requirements of essential materials. In September, 1940, Argentina stopped practically all imports of goods from North America. A \$20,000,000 United States credit obtained from the Export-Import Bank early in 1940 to buy specified materials was not used. Gold had to be shipped to the States before the end of that year. In December, 1940, another \$60,000,000 credit was negotiated, plus a \$50,000,000 stabilization fund credit with the Export-Import Bank, but these credits have not been utilized either, as they have not been ratified, so far, by the Argentine Congress. The pesos arising from these dollar credits would have been useful for buying the local grain crops. However, United States purchases from Argentina were already beginning to increase sharply and the increase was much more marked in 1941. The increase in the supply of dollars parallels an increase



in the demand for essential materials from North America, although this demand is ineffective in practice to the extent that the export of these materials is being restricted by the United States and Canada. Argentina does not wish to buy anything but these essentials even if shipping facilities were available to carry them to Argentina.

*Argentine Balance of Payments since 1937*

	1937	1938	1939	1940	1941
	Equivalent in Millions of Canadian Dollars at 3.02 Pesos to \$				
Credits from					
Exports of goods . . . . .	776	457	524	479	519
Net capital movement . . . . .	— 4	— 23	22	26	108
State investments . . . . .	..	40	..	5	..
Sundry . . . . .	14	13	25	25	40
Total credits . . . . .	786	487	571	535	667
Debits due to					
Imports merchandise . . . . .	487	493	408	424	362
Public debt service . . . . .	50	38	47	51	46
Public expenses . . . . .	28	21	17	7	5
Private financial services . . . . .	94	84	96	74	89
Total debits . . . . .	659	636	568	556	502
Net gold—private . . . . .	..	— 2	— 2	— 1	— 1
Repatriation public debt . . . . .	—139	..	..	— 10	— 7
Adjustment commercial debt . . . . .	— 14	— 3	+ 52	+ 9	— 1
Net balance . . . . .	— 26	—154	+ 53	— 23	+156

NOTE.—Original figures converted to pesos at 15 pesos to the pound until September, 1939, and subsequently at 13.50 to the pound. Converted to dollars at 3.02 pesos to the dollar.

Argentina therefore had a favourable balance in her international payments position of \$156,000,000 in 1941 as against a deficit of \$23,000,000 in 1940, due to an increase of \$40,000,000 in her export trade, a net inflow of \$82,000,000 in new capital from abroad and a reduction of \$62,000,000 in her imports of merchandise from 1940. Part of this balance is blocked in London and although Argentina cannot obtain the equivalent in goods for it, an agreement has been reached whereby the blocked balance is held on a gold basis. The net favourable balance of \$156,000,000 would have been reduced if Argentina could have secured from any source abroad the essential goods she now needs.

### EXCHANGE CONTROL

The first system of exchange control established in Argentina in 1931 was rigid and led to the blocking of funds owned abroad. The modified system of 1933 was flexible, with a free rate created to act as a safety valve. The first move under the new system was to build up a reserve of foreign exchange, convertible to gold or in hard or readily convertible foreign currencies, which would enable the control authority to cope with shorter term fluctuations in the balance of payments. The Argentine Government was able to repatriate a large block of dollar debt from its later surplus, largely created in 1937; but in 1940 it had to make up a substantial dollar deficit from its reserve of gold.

The fundamental principles of the Argentine exchange control system are: (a) the available foreign exchange from exports, net influx of new capital, and other sources, is budgeted to provide payment for adequate necessary imports, to provide for the financial services, for capital leaving the country, and for miscellaneous payments abroad; (b) the foreign exchange rate structure is selective and is based on differential exchange selling rates, and (c) the system is flexible.

The purpose is to keep control of the balance of external payments as a whole, to keep control of the balance of payments between specific countries or exchange areas and Argentina within treaty limits, to afford machinery whereby particular lines of export may be given special advantages or encouragement,

and to supplement the protection afforded by the customs tariff in order to encourage local manufacturing industries. This latter objective is achieved by applying higher exchange rates to particular imports or by refusing import permits on commodities which are manufactured in Argentina. It is indicative of the protective aspect of exchange control that profits from this source in 1940 were \$67,000,000, while the total import duties and surcharges collected during that year amount to only \$76,000,000. Payments for imported goods represented 80 per cent of all exchange sales on which the exchange profits were made in 1940. Stimulation of local manufacturing industries in order to achieve a more balanced local economy has been one of the principal objectives of local government policy since 1933.

The structure of differential exchange rates is one of the most important features of the exchange control system. The spread between the buying and the selling rates varies from 10 per cent to 48 per cent for the dollar, and from 10 per cent to 26 per cent for sterling. These spreads left the Government a net surplus or profit of \$67,000,000 in 1940. The surplus is an important source of income to the Government, but it is the power to regulate the spreads which makes this rate structure such an important instrument of policy of the executive power. The power to fix the exchange selling rates for imported goods can be made to play a decisive part in establishing internal price levels, since imported goods directly affect the main components of the general wholesale price level here. Any depreciation of the peso through a change in the selling rates causes a parallel rise in internal wholesale prices. This power to change the selling rates for exchange to pay for imported goods, combined with the power of granting prior import permits for imported goods, and the control of a reserve of foreign exchange gives the Central Bank wide powers of control over the internal economy of the country.

#### EXCHANGE PROFITS

The following table shows the income derived from exchange control between 1933 and 1940 and the amounts of the expenditures made from this fund:—

##### *Argentine Exchange Profits Account under Central Bank of Argentina*

	1933 and 1934	1935 and 1936	1937	1938	1939	1940
Income	Equivalent in Millions of Canadian Dollars					
Exchange profits . . . . .	39.7	68.7	21.4	23.9	37.4	66.4
National wine board . . . . .	...	0.1	0.2	0.4	0.4	0.4
Other . . . . .	...	...	0.1	0.1	0.1	0.2
Total income . . . . .	39.7	68.8	21.7	24.4	37.9	67.0
Cumulative income . . . . .	39.7	108.5	130.2	154.6	192.5	259.5
Expenditures						
1. Group—						
Differences exchange:						
Public debt services . . . . .	7.6	20.7	39.5	5.6	5.9	5.2
Other external payments . . . . .	0.5	9.5	1.3	0.9	0.8	1.3
Part control administration . . . . .	0.1	0.1	0.1	0.1	0.1	0.2
Administrative expenses:						
Grain regulating board . . . . .	0.2	0.3	0.1	...	0.3	0.1
Dairy regulating board . . . . .	0.1	0.3	0.2	...	...	...
Dairy Industry Branch . . . . .	...	...	...	0.2	...	...
National Dairy Commission . . . . .	...	...	...	...	0.1	0.1
National Cotton Board . . . . .	...	0.4	0.3	0.5	0.5	0.5
Meat Export Promotion Board . . . . .	...	0.1	0.1	...	...	...
National Meat Board . . . . .	...	...	...	...	0.1	...
Grain Elevator Construction Board . . . . .	...	...	0.2	0.2	0.3	0.2
National Fuel Board . . . . .	...	...	...	...	...	0.1
Grain elevator construction . . . . .	...	...	...	2.3	2.4	2.3
Port of Rosario work . . . . .	...	...	...	0.6	0.4	0.3
Grain and Elevators Board—special . . . . .	...	...	...	...	...	0.1
Sub-total . . . . .	8.5	31.4	41.8	10.4	10.9	10.4



*Argentine Exchange Profits Account under Central Bank of Argentina—Con.*

	1933 and 1934	1935 and 1936	1937	1938	1939	1940
	Equivalent in Millions of Canadian Dollars					
2. Group—						
Promotion:						
Grain Regulating Board . . . . .	2.7	-0.5	-0.1	-0.1	5.1	2.0
National Dairy Board . . . . .	0.7	0.9	0.2	-0.1	....	....
National Dairy Commission . . . . .	....	....	....	....	....	0.8
National Cotton Board . . . . .	....	0.1	....	0.1	0.1	-0.1
Promotive meat exports . . . . .	....	0.9	-0.1	....	-0.1	....
National Meat Board . . . . .	....	....	3.2	0.2	6.3	0.1
Total expenditures . . . . .	11.7	32.8	45.0	10.5	22.3	13.2
Balance for years . . . . .	27.9	36.0	-23.2	13.8	15.6	53.8
Accumulated balances . . . . .	29.9	109.9	40.6	54.4	69.9	126.9
Transfers . . . . .	0.2	9.1	....	....	0.7	....
Balances on hand . . . . .	30.1	119.0	40.6	54.4	70.6	126.9

This table shows that the principal expenditures from the exchange profits fund over the eight years were: \$84,500,000 to meet part of the charge against the ordinary revenues of the Government for external public debt services, \$22,700,000 to national agricultural boards from subsidies and sales promotion work (most of these Boards have independent revenues of their own, as for example the National Meat Board collects a tax of 1 mill on all live-stock sales), \$5,300,000 towards the administration expenses of agricultural boards, and \$7,300,000 towards grain elevator construction. The Central Bank held a balance of \$126,900,000 in the exchange profits account as a reserve at the end of 1940, as against aggregate expenditures from the fund of \$128,800,000 over the eight years between 1933 and 1940.

## EXCHANGE RATES

In practice the buying rate, which of course fixes the number of pesos the exporter receives for his foreign currencies, was kept at the same level in relation to sterling from November, 1933, until the outbreak of the war when this rate was depreciated 11.1 per cent against sterling, and then pegged to the dollar. It has not been changed since in relation to either the dollar or sterling. The present rate is 3.35 pesos to the dollar and 13.50 pesos to the pound. One feature, however, of the official control of the buying rate is that a preferred buying rate is conceded to the exporters of certain minor export commodities in order to stimulate or encourage their export. This rate is 4.2289 for the dollar area. This rate also applies for exports made to "neighbouring" countries.

It is in the control of the selling rates of exchange that the power of the executive to influence the domestic economy lies. The surplus created from the varying spreads between the buying and the selling rates places a large fund at the disposal of the Government as has been shown. This reserve can be used to subsidize the farmers and so increase their domestic purchasing power in relation to the other sections of the community, or to give the manufacturing industries cheaper imported raw materials or, alternatively, restrict the importation of competitive imported manufactured goods—in either case improving their comparative position. It can be used to reduce the burden of the external public debt services by shifting part of it to particular branches of the local economy. It really represents the power to depreciate or appreciate the value of the currency in order to achieve a desired internal redistribution of the income of the country.

The first method of applying differential selling rates was to give the best preferential rate for payments to countries with which Argentina regularly had a favourable balance. The most important country affected was the United Kingdom. Other countries were given this preferential rate on approved pay-

ments to the point where these payments did not exceed the amount of exchange supplied by the particular country. The control authority exercised its own discretion in this respect for payments to non-treaty countries, which then included the United States and Canada. For excess payments to countries with balances unfavourable to Argentina, a minimum surcharge of 20 per cent on the preferential rate was applied, or the free rate if it was more than 20 per cent above the preferential selling rate. This policy therefore gave the largest consumers of Argentine products a minimum preference of 20 per cent on most items over other countries, such as Canada and the United States.

The following table shows the trends in the value of the Argentine peso in relation to sterling and to the United States dollar since 1933 when the flexible system of exchange control was first established in Argentina. There was no official control in 1928:—

## CURRENT EXCHANGE RATES

*Argentine Exchange Rates*

Buying Rates:	Sterling	U.S. \$
1. Regular exports . . . . .	13.50 Pesos to £	3.3582 Pesos to \$
2. Exceptional exports . . . . .	17.00 Pesos to £	4.2182 Pesos to \$
Selling Rates:		
1. Public debt service . . . . .	13.50 Pesos to £	3.3582 Pesos to \$
2. Railway earnings in £ . . . . .	16.00 Pesos to £	.....
3. Imports—First essentials . . . . .	15.00 Pesos to £	3.7313 Pesos to \$
4. Imports—Second essentials . . . . .	17.00 Pesos to £	4.2289 Pesos to \$
5. Imports—Agric. machinery parts . . . . .	.....	4.2289 Pesos to \$
6. Imports—Trucks and bus chassis . . . . .	.....	4.2289 Pesos to \$
7. Imports—Automotive parts . . . . .	.....	4.2289 Pesos to \$
8. Imports—Agricultural implements . . . . .	.....	4.55 Pesos to \$
9. Imports—Passenger autos and chassis . . . . .	.....	4.85 Pesos to \$
10. Imports—Certain other products . . . . .	.....	*4.94 Pesos to \$
11. Ordinary—Cash remittances . . . . .	17.00 Pesos to £	†4.24 Pesos to \$

\* An auction rate and so variable. † At the free rate—variable.

The application of the various selling rates quoted above may be described as follows:—

## PUBLIC DEBT SERVICES

Actually official remittances to meet the public debt service are charged at the first preferential selling rate but the difference in exchange is taken from the Exchange Profit Fund.

## RAILWAY EARNINGS

This is a special rate of 16 pesos to the pound which is applied on remittances made to the United Kingdom by the British-owned railways in Argentina. It applies only on financial services. Railway materials for the British-owned railways are imported at the rate of 15 pesos to the pound. These materials enter free of customs duties under the original concession of the railways.

## MERCHANDISE IMPORTS

(a) First essential products, as designated by the Argentine authorities from time to time, may be imported at a fixed rate of 15 pesos to the pound, or 3.7313 pesos to the U.S. dollar, or corresponding rates for other currencies. Raw materials for local industries, and other essential products not competitive with local products, are placed in this classification. Newsprint and seed potatoes from Canada enjoy this rate. In some cases preferences are accorded to particular countries; for example, the sterling area may enjoy this rate whereas the same product from Canada or the United States may pay a higher rate. Under the trade agreement made between the United States and Argentina last October it was recognized that Argentina had a blocked sterling problem and so could grant preferences on British goods towards liquidating her sterling surplus.



(b) Secondary essential products, as designated by the Argentine authorities from time to time, may be imported at a fixed rate of 17 pesos to the pound, or 4·2289 pesos to the U.S. dollar, or the corresponding rate for other currencies. All imports from the United Kingdom which do not enjoy the rate of 15 above-mentioned are admitted at this rate. Certain specified products from Canada and the United States enjoy the rate of 4·2289. Again the sterling area has preference on certain commodities in this classification.

(c) The Argentine Government has placed imports of farm implements and automotive products from the dollar area, including Canada and the United States, in a special category. These two groups are considered essentials but their nature and use in Argentina is such that Argentina feels she can get along with a limited number of them when the occasion requires it. Further, these two groups of imports represent normally the heaviest drain on the dollar resources of Argentina.

Argentina has related her consumption of farm implements and automotive products directly to the aggregate consumption of a specified list of her exportable products to North America. This list comprises products which are termed "non-regular" items of export from Argentina, or products which are now being exported in small volume or not at all, but for which it is considered a market could be found in North America. In order to put this principle into practice, Argentina has established a Corporation for the Promotion of Export Trade.

The dollar exchange derived from the sale of the specified "non-regular" exports to North America is credited to this corporation in pesos converted at 4·2182 pesos to the United States dollar. Consequently the buying rate for these non-regular exports is 27 per cent above the regular buying rate. The Corporation had purchased \$48,000,000 to December 31, 1941. It in turn allocates this exchange that is credited to it, at 4·2289 pesos to the dollar for farm implement and machinery parts, motor trucks and bus chassis and automotive repairs, at 4·55 pesos for farm implements and machinery, and at 4·85 pesos for passenger automobiles. Argentina expects by this method to regulate her consumption of these two important groups of commodities and at the same time promote her own export sales to North America. Due to the difficulty in obtaining automotive products and farm implements in North America now on account of export restrictions, Argentina for the present admits any quantity that is available. The Corporation is understood to have a large surplus of dollars.

(d) Argentina has created a further category of specified import commodities. This category comprises items with a certain degree of essentiality to the local economy but considered to be in reality comparative luxuries. In other words, if the Argentine consumer feels that he must have them and is willing to pay the price, he will have an opportunity to buy them. This group of commodities is admitted providing the importer has previously purchased the exchange to pay for them at a semi-weekly exchange auction here. The prospective importers put in bids for the amount of dollars they require and the amount of exchange that has been put up for auction is pro-rated among the highest bidders. The unsuccessful bidders may bid again at the next auction. This auction rate has been currently around 4·94 pesos to the dollar or approximately 50 per cent above the buying rate.

(e) The final rate is the "free" rate or the safety valve of the exchange control system in Argentina. Any financial transaction which does not have to do with the exportation or importation of merchandise, or which does not enjoy special rates under the existing regulations, as for example the dividend remittances of the British-owned railways, may be transacted at this rate. All ordinary cash remittances for whatever purpose, whether capital entering or leaving the country, earnings of local foreign-owned enterprises, etc., can be made at the free rate without any permit, except for countries with compensation agreements here. In actual practice the fluctuations of the free rate are controlled indirectly by the Central Bank, but the rate does fluctuate.

This exchange control system, and through it the import control system, comes directly under the Central Bank of Argentina. No merchandise of any kind may be imported into Argentina unless it is covered by an official permit that has been previously issued by the Central Bank, except that specified essentials are not subjected to quantitative restrictions if admitted from particular countries. The Argentine customs will not clear the goods unless this permit is presented to them. It is impossible to even make a gift of a commercial quantity of merchandise without this permit. Further the holder of the permit must use it or return it within a specified time or pay a fine to the Central Bank. The permit specifies the currency, i.e. whether United States dollars, sterling, etc., which may be purchased to pay for the goods covered by the permit. The exporter has no option to accept an alternative currency nor has the importer such an option. For example, a Canadian exporter, even if permitted to do so under the Canadian control regulations, could not obtain sterling instead of dollars for his shipments to Argentina. The control regulations are co-ordinated with the Argentine customs tariff. Consequently, there is a specific provision made in the import control regulations for any commodity that is specified in the customs tariff. This control provision cites the tariff number and specifies the exchange treatment accorded each exporting country on it. There is never any doubt as to the treatment accorded any commodity for any country although in recent months special exceptions are made at times on commodities considered as urgently essential at the moment.

Argentina formerly used the quota system very extensively for the purpose of restricting the volume of many specified commodities coming from particular countries. Theoretically, quotas still apply on automobiles and farm implements from North America. However, due to the severe export restrictions in effect in Canada and the United States, exporters have been advised that their sales would not be limited at this end. Most of the other quotas have been abolished temporarily for this reason.

It is difficult to make specific comments on the current import control situation as it affects Canadian exports. It can be stated, however, that Argentina is not issuing import permits any more freely than formerly for non-essential products from Canada. Argentina is only too anxious to obtain supplies of essential products but there is little effective demand for other commodities here.

## **CONDITIONS IN THE CUBAN AND DOMINICAN REPUBLIC DRIED AND SMOKED FISH MARKETS**

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### **Cuba**

Havana, May 15, 1942.—Recent arrivals of codfish have relieved the situation of scarcity which existed in the last few weeks.

### **HAVANA MARKET**

The present demand for dried salt fish is light, due principally to the current high prices, although consumption usually drops off during the summer months when atmospheric conditions make it difficult to avoid spoilage. Consequently, importers ordinarily carry minimum stocks in the summer season. Uncertainty of deliveries, however, has somewhat altered the situation and those importers with refrigeration facilities are glad to consider all offers that carry any assurance of delivery within a reasonable period of time. It is understood that lots have been placed here during the past week in the expectation of shipment



around the beginning of June. Present prices are \$18.50 and \$18 per 100 pounds c.i.f. Havana for imperial and large types respectively, war risk for account of buyer.

A schooner cargo of 1,631 bales and boxes of codfish arrived at this port direct from Canada during the present week. Some of the cargo was spoilt en route by bilge water, but the remainder, being in marketable condition, is sufficient to meet the demand for several weeks. In a previous report reference was made to an accumulation of some 600 bales of codfish in New York en route to Havana awaiting steamer space. As a result of steamship re-routing, considerably higher transportation costs will have to be incurred if these stocks are to move, but it is thought that this market can afford the difference in view of the uncertainty of obtaining future deliveries.

#### SANTIAGO DE CUBA

Shipments totalling 2,805 drums recently arrived in this market from Canada, and these no doubt will meet the demand for a considerable time. Current quotations are \$15.20 and \$14.70 per drum of 128 pounds f.o.b. Halifax.

#### Dominican Republic

Somewhat higher duty-paid prices and appreciable depletion of dried-fish stocks held by importers were the main features of the markets for fish in the Dominican Republic during April. The commandeering by the United States Government of so many ships for war purposes has partly eliminated many of the freight services which previously were available to importers in the Caribbean area. Accordingly the landed cost of fish of all kinds is expected to increase considerably. So far, however, there is no shortage of fish in the Republic and prices have not increased greatly because of the fact that considerable stocks had been built up while the New York services were still operating. These stocks were bought at appreciably lower rates than those prevailing to-day, and, while they last, distributors' prices are not expected to jump too sharply. Nevertheless, this situation, as it develops to its logical conclusion, is bound to cause sharp increases in the landed cost of fish and to curtail consumption still further because of that increased cost.

The average duty-paid price within the republic on May 8 for Labrador semi-dried codfish was about \$20.50 per 128-lb. drum. Deducting Customs duty and other landing and clearing charges of about \$2.40, additional freight at \$0.13 and war risk insurance of  $1\frac{1}{2}$  per cent equalling around \$0.12 per drum, all of these charges totalling \$2.65 per drum, gives an average c.i.f. cost of \$17.85 per drum. Small supplies of pollock arrived during April and are now quoted at around \$21 duty-paid, or, deducting charges similar to those mentioned above, at a c.i.f. price of about \$18.35. Small supplies of hake, about 25 drums, also arrived during the month and these, very surprisingly, are bringing the same price as pollock. Haddock is also being sold at this same price, although stocks on hand are very small. Consumption of all of the above-mentioned types of dried fish is only about one-half of what it used to be in pre-war years, and the general opinion of importers is that it is not likely to increase at any time in the near future.

The arrival during the month of fairly heavy stocks of Magdalen bloaters somewhat depressed the price ruling during the previous month. This dropped by \$0.10 per 18-lb. box of 90/110's to \$2.40 duty-paid, which figure is equivalent to around \$2.15 c.i.f. Since shipping space, under present conditions, is so difficult to obtain, it is not possible to prevent the piling up of bloater shipments such as occurred during April, and importers must continue to accept the risk of price decreases because of over-supply.

## NEW TRADE COMMISSIONER OFFICE AT SANTIAGO, CHILE

Mr. M. J. Vechsler, formerly Canadian Trade Commissioner at Lima, Peru, has arrived at Santiago, Chile, and will be in charge of a new office, opened on May 25. His address for mail is Casilla 771 and his cable address "Canadian".

For the present the Lima office will remain in charge of Mr. W. G. Stark as Acting Trade Commissioner.

## NEWFOUNDLAND IN 1941

FROM THE *Newfoundland Journal of Commerce*

There was a substantial increase in the total trade of Newfoundland for the last fiscal year as compared with 1939-40; the figures are as follows:—

	1939-40	1940-41
Imports . . . . .	\$28,421,897	\$35,734,549
Exports . . . . .	33,393,845	37,277,312
Total . . . . .	\$61,815,742	\$73,011,861

Revenue for the fiscal year ending June 30 of \$16,485,933 constituted an all-time record and compares with \$12,551,655 in the previous year. On the other hand, expenditure was reduced from \$16,823,310 to \$15,789,402. From the surplus of roughly \$700,000 the sum of \$100,000 is being used as a reserve for redemption of war savings certificates, \$25,000 was paid on account of the Syndicate Loan of \$625,000 owing to the four Canadian Banks represented in Newfoundland, and \$300,000 was loaned to Great Britain, without interest, as part of Newfoundland's war effort.

In his budget speech, delivered on July 3, the Commissioner for Finance estimated a surplus of \$2,600,000 for the fiscal year ending June 30, 1942. However, for the five months ending November 30, 1941, revenue amounted to \$8,324,776 as against expenditure of \$4,500,702, so the actual surplus will possibly treble the original estimate. The major part of this improvement is in customs revenue and gives some idea of the increased spending power of the people, brought about largely by wages paid to men working on the construction of defence projects. As from November 1 the 1940 special war tax of 7½ per cent on imports has been removed from certain commodities, principally fruit, vegetables, and coal.

The increase in business turnover is further indicated by the following comparison of bank clearing figures, which amounted to \$88,715,605 in 1941 and \$67,231,426 in 1940. Particularly during the second half of the year and largely as a result of defence construction there has been practically no unemployment.

Although the catch of codfish was somewhat lower than in 1940, the fishery, as a whole, has been much more remunerative, as in some instances fishermen received more than twice as much for their product. There was no contraction in the production of pulp and paper, and the demand for woodsmen was greater than the supply. Unfavourable features were the enforced curtailment of the salmon fishery, due to the British Government's placing frozen salmon on the luxury list, and the part-time operations of the Wabana iron mines.

### CODFISHERY

Many sections of the Colony had the best shore fishery for several years, in spite of the smaller number of fishermen engaged. The bank fishery was most satisfactory until August when, due to scarcity of bait, many of the vessels were forced to discontinue the voyage. The Labrador catch was unusually low. Ice interfered with operations at the beginning of the season, and there was a scarcity of codfishery on the northern part of the coast.



Stocks on hand are below normal, and little difficulty is anticipated in marketing all supplies in an orderly manner at favourable prices. Contracts were entered into with the Portuguese Gremio for the purchase of 275,000 quintals of bank and shore codfish, of which about 175,000 quintals have been shipped. Net prices were \$3 to \$4 above 1940 figures. Exports to this market have been held up unduly by delays in arrival of the carriers and by unsatisfactory weather conditions, which have interfered with curing and loading. Substantial sales of about 110,000 quintals of Labrador codfish have been made to Spain at 55s. f.o.b. as compared with 35s. received for 1940 sales to this market. Sales to the West Indies have been fairly active, and prices have remained firm. The prices offered by Brazil, however, were too low to warrant the shipment of any substantial quantities to that market. Claims, if any, under the 1941 government guarantee of minimum prices will be small.

The value of this year's catch to the producer is much greater than in 1940, as he has received increases in prices ranging from \$2 to \$4, depending on quality and location.

#### SEALFISHERY

Only four wooden ships carried on sealfishery operations this spring, and the following comparisons show the reduction in the value of of this industry to the Colony from the 1940 value:—

	1940	1941
Number of steamers . . . . .	7	4
Number of men . . . . .	1,307	606
Number of seals landed . . . . .	159,687	42,666
Net value . . . . .	\$205,030	\$67,178

It is estimated that about 20,000 seals were taken by landsmen on the north-east coast. It is reliably reported that not more than 2,500 skins remain on hand, and most of the oil stocks have been cleared at satisfactory prices.

#### SALMON

Because of frozen salmon being placed on the luxury list by the British Ministry of Supply, exports of this commodity were reduced to around 100,000 pounds as compared with 2,100,000 in 1940. Roughly 700,000 pounds of fresh salmon, packed in ice, were disposed of in the Canadian and United States markets, some 100,000 pounds more than in the previous year. Fishermen received about 5 cents per pound.

The production of tinned salmon is estimated at 5,100 cases as against 3,840 cases in 1940. The average price of \$10 paid packers netted them about 9 cents per pound. Demand is far in excess of supply and, with judicious advertising, there is no reason why a ready sale could not be found for, say, 10,000 cases.

Comparative statistics covering exports are as follows:—

	Fiscal Year 1940-41		Fiscal Year 1939-40	
	Quantity	Value	Quantity	Value
Salmon, pickled . . . . .Lbs.	181,397	\$ 13,281	257,518	\$ 20,976
Salmon, tinned . . . . .Cases	933	7,235	1,269	11,702
Salmon, fresh and frozen . . . .Lbs.	3,379,827	460,254	3,205,790	468,339

#### HERRING

Contrary to expectations, the Labrador Scotch cure herring industry was almost a complete failure this year. Some 6,000 barrels were sold subject to catch, but actual production was only 10 per cent of this quantity. Four firms were interested in the packing, and all suffered losses owing to the substantial outlay made in preparation for a large catch.

The quota set for the 1941-42 pack of Newfoundland Scotch cure is 26,000 barrels. A contract has been made with Vita Products Inc. of New York for the sale of this quantity at a price of \$2 in excess of last year's figure.

There has been a considerable expansion in the market for dressed herring, and production is likely to reach 16,000 barrels as against 8,500 barrels for the 1940-41 season. On the other hand, the pack of ordinary split herring has fallen from 3,500 to 2,300 barrels, largely due to the better prices being received for the first-mentioned variety.

Due to the unsatisfactory results in 1940 no Matje herring were produced on the Labrador this season.

Fishermen are being paid \$2 per barrel from the net, an increase of 60 cents over last year's price.

The plant of the Newfoundland Dehydrating Process Company Limited at Bay of Islands is expected to commence production of oil and meal in January with a daily capacity of 1,850 barrels.

Exports of herring products for the past two fiscal years were as under-noted:—

	1939-40		1940-41	
	Quantity	Value	Quantity	Value
Scotch cure . . . . .Bbls.	20,433	\$173,454	21,620	\$192,102
Other cures . . . . .Bbls.	16,940	74,267	5,797	33,260
Fresh . . . . .Lbs.	789,406	5,527	1,032,655	7,318
Kippers . . . . .Lbs.	105,302	6,591	83,481	5,240
Herring meal . . . . .Lbs.	2,972,392	68,045	.....	.....
Herring oil . . . . .Gals.	295,928	106,520	.....	.....
Total value . . . . .		\$434,404		\$237,920

### LOBSTER

The lobster fishery was fair in most sections, and a comparison of production with that of the previous season is given below:—

	1940	1941
Live lobsters . . . . .Lbs.	2,450,681	2,148,343
Canned lobsters . . . . .Cases	1,154	1,033
Value of exports for fiscal year ending June 30 . . . . .	\$ 322,234	197,461

It is understood that a considerable part of this year's catch did not leave the country until after July 1, which accounts for the discrepancy in values. Most of the live lobsters are sold in the Boston market. The average price to the fishermen was the same as in 1940—about 7 cents per pound.

### COD LIVER OIL

There has been a strong demand for Newfoundland cod liver oil but, as was the case last season, producers and exporters have not been able to enjoy the full benefit. Production was below normal, due to the poor fishery in certain sections where factories were operating and to the absence of so many fishermen employed on defence projects.

Prices opened slightly higher than at the beginning of the 1940 season and showed an ever-strengthening tendency, so that they are now at approximately the same level as a year ago. A further rise, hoped for by producers, has not materialized as, apart from the high prices of the past year or two tending to limit consumption, many governments have not set a price ceiling on cod liver oil in line with the action taken on many other commodities. In anticipation of still higher values, many producers paid altogether too much for livers, and consequently the margin of profit on manufacturing has, in many cases, been small. The high prices have particularly affected poultry oil sales; in fact the market for this grade is now negligible, as the poultry oil trade is using cheaper substitutes.

Stocks remaining in the Colony are light, and there is a ready demand for available supplies at present prices. However, those interested in the industry must realize that there is a limit to the price which buyers will be willing to pay for this product.



Exports for the last two fiscal years were as follows:—

	1939-40		1940-41	
	Gals.	\$	Gals.	\$
Refined . . . . .	57,317	67,975	242,185	557,616
Poultry feeding . . . . .	76,542	53,336	16,428	23,520
	133,859	121,311	258,613	581,136

#### BLUEBERRIES

The blueberry industry has been almost a complete failure. The season was unusually cold and wet and the berries did not ripen. Furthermore, due to the large measure of employment afforded elsewhere, there were fewer pickers engaged, as the man of the household has been able to earn sufficient to support his family, obviating their dependence on berry-picking as a necessary source of income. Pickers were paid about 5 cents per gallon more than in 1940, but total production did not exceed 25,000 boxes as compared with 175,000 boxes in the previous year. The Department of Agriculture and the cold-storage companies engaged in the freezing of blueberries for export co-operated in an effort to start the systematic burning of blueberry grounds, and several areas were burnt over during the year. It is hoped that these areas will produce good crops in the course of a year or two. Exports of blueberries amounted to 155,607 boxes valued at \$403,490 in the 1940-41 fiscal year as compared with 87,304 boxes valued at \$197,869 in 1939-40.

#### PULP AND PAPER

The pulp and paper mills of the Anglo-Newfoundland Development Company Limited at Grand Falls and Bishop's Falls operated to capacity, and production has been extended to include dry baled groundwood as well as newsprint and dry sulphite. Total output was approximately 190,000 tons. During the year the company's two remaining steamers were lost by enemy action, and this has aggravated the shipping problem. Due to wartime conditions the steamers available for carrying paper are small, and more individual shipments have to be made. Much of the paper formerly shipped to England has been diverted to the American markets, and so far sufficient shipping has been obtained to take care of production.

The company continued to modernize and improve their plant. A substantial program of renovation of dwellings, water and sewerage extension, and road paving was carried out in the town of Grand Falls and a swimming pool and bowling alleys provided.

The proposed cut of pulpwood for the 1941-42 season is 240,000 cords as against 290,000 cords in the previous season. Employment has remained reasonably steady, the total number employed in all departments being 3,250. In the mills an increase of 2 cents per hour was granted to all employees, effective as from May 1, 1941, and a further allowance of \$1 per week as from November 1.

There has been no let-up in operations of Bowater's Newfoundland Pulp & Paper Mills Limited at Corner Brook, and production reached 204,000 tons, an all-time record. In spite of war conditions, with the consequent high insurance and freight charges, shipments were almost world-wide.

A considerable amount of money has been spent to improve plant equipment and increase shipping facilities. The new sulphite mill, with a capacity of 100 tons per day, was officially opened on March 24, 1941. The work of repairing the main dam was completed during the year. The company now owns six steamers, and this has aided them to a large extent in successfully marketing their production.

Deliveries of wood to the mill during the year totalled 350,000 cords as against 250,000 cords in 1940. The cut was about 220,000 cords, 40,000 cords less than the estimate. This is due to labour shortage, particularly after the end of

June when a large volume of employment was offering elsewhere on defence projects. In the month of June 3,984 men were employed in connection with woods operations, while the average number of persons employed at the mill, including the hydro-electric and the utilities of Corner Brook, was around 1,700.

The average pay of the loggers of both companies has been increased from \$2.10 to \$2.47, while the wage of ordinary labourers is higher by 5 cents per hour. The employers have also absorbed the increased cost of food for the camps.

Botwood, which is the shipping port of the Anglo-Newfoundland Development Company Limited, experienced one of its busiest years, handling in the vicinity of 485,000 tons of cargo, approximately the same as in 1940. To permit a speed-up in loading and unloading, a new wharf has been built. Corner Brook also had a large volume of inward and outward freight, including a considerable quantity of materials for contractors at defence bases. As a result of a detailed study, the shipping department of Bowater's was completely reorganized, and steps were taken to meet the increasing demands on stevedoring facilities. The berthing front was increased by 600 feet, and now extends for 1,700 feet.

### MINING

It is discouraging to notice the falling-off in exports of ore to England, due to lack of shipping space, but this is partly offset by the increase in the quantity taken by Sydney. It is expected that, subject to bottoms being available, a million tons will be forwarded to the Sydney plant in 1942.

The operations of the Buchans Mining Company Limited for 1941 have continued on approximately the same basis as in 1940, with the exception of a two-week period in August when the mines were closed down due to labour trouble. The average number of men employed by this company in 1940 was 632 as against an estimate of 635 for 1941.

Following are comparative figures of exports in 1940 and 1941:—

	1940 Short Dry Tons	1941 Short Dry Tons
Copper concentrates . . . . .	46,126	25,100
Lead . . . . .	47,759	48,700
Zinc . . . . .	109,287	161,700
Gravity . . . . .	431	385

Due to a series of labour disputes, the output of the fluorspar mines at St. Lawrence has been greatly curtailed. The mines were closed and flooded for six weeks, and further time must elapse before they can resume full-time operations.

The output of the limestone quarries of the Dominion Steel & Coal Corporation Limited at Aguathuna shows a slight increase. Production in 1941 totalled 368,138 tons as against 337,367 tons in 1940.

In addition the company is developing a high-grade ore prospect at Indian Head, where upwards of 50 men have been engaged since September 1. It is hoped that the first cargo of ore will be shipped at the opening of navigation in 1942.

The Industrial Minerals Company of Newfoundland, controlled by Clinchfield Sand and Felspar Incorporated of Baltimore, was recently incorporated to develop the talc mines at Foxtrap. The new company proposes to erect a mill and install machinery for grinding and bagging. Power will be supplied by Diesel engines. Other properties are receiving attention.

### AGRICULTURE

The 1941 season was one of the worst on record for Newfoundland agriculture. Cold, wet weather throughout most of the summer retarded crops considerably, consequently new vegetables were late in reaching the market. The acreage planted to potatoes was down about 15 per cent and the yield was



low. Little damage was done by blight. Turnips did not develop well and, while quality was good, size was small. The cabbage crop was likewise poor, the heads failing to develop. Altogether vegetable production was at least 50 per cent under the 1940 figure.

While growing conditions were suitable for the hay crop, farmers were hampered throughout the cutting season by continued bad weather. In many fields the hay had over-ripened before it could be cut and cured and, as a result, it was generally of poor quality.

The upswing in market prices has resulted in a greater interest being taken in the raising of cattle, sheep and hogs, particularly the latter. However, the increase in the cost of imported feeds is proving a major handicap. The supply of eggs is limited, and prices have advanced as high as 95 cents per dozen retail.

While the Department of Agriculture is making a special effort to stimulate greater interest, the production of vegetables and meats is altogether inadequate to meet requirements.

With the present high prices prevailing for meats it is probable that there is money to be made in live-stock raising if proper methods are employed.

It is estimated that 1,000 acres of new land were placed under cultivation in 1941.

#### TRANSPORTATION

The demand on transportation facilities during the year was exceptionally heavy, and at times considerable congestion resulted. This is due in large measure to the space required for defence materials, with the consequent lack of tonnage available for ordinary merchandise. Inadequate storage space and stevedoring facilities at local premises of the steamship companies and insufficient trucks available for haulage purposes have also been factors.

The estimated increase in passenger traffic in 1941 as compared with 1940 was 60 per cent and in freight traffic it was 50 per cent.

A loan of \$2,100,000 at 2½ per cent, repayable in 15 years, was arranged with the United States Government through the agency of the R.F.C. to finance new equipment, which includes five locomotives, one hundred flat-cars and fifty box-cars.

All vessels and steamers available for inshore and foreign freighting are kept fully employed. Charters are remunerative in spite of much higher operating expenses, and good wages are being paid to the crews. As an instance, the freight rate on coal from Sydney to St. John's before the war was around \$1.20 per ton and now it is \$5.

An application to establish an airline between Bangor, Maine, and the United States military bases in Newfoundland has been filed by Northeast Airlines Incorporated with the Civil Aeronautics Board of the United States. It is proposed to operate three round trips weekly. Connections with Canadian airlines will be made at Moncton.

#### CONSTRUCTION

There has been considerable general building and renovations in progress during the past year, particularly at Corner Brook, Grand Falls, Botwood, Bell Island, and St. John's, but it is the employment afforded by the construction of defence projects, hostels, etc. that has caused a labour boom.

Work on the United States bases at St. John's, Argentia, and Stephenville continues with little interruption, and a recent article in the *New York Times* stated that the amount to be expended by the United States in Newfoundland on defence projects is \$32,533,000. A large recreational centre is also being built at St. John's at an estimated cost of a quarter of a million dollars.

For the British forces, defence construction of a varied nature is proceeding at St. John's and other places throughout the Colony. For various reasons these undertakings cannot be enumerated. Newfoundland is beginning to assume an ever-increasing importance as a defence outpost.

It is estimated that at the peak period during the fall some 22,000 Newfoundlanders were employed, either directly or indirectly, on defence work, with a payroll equivalent to \$2,500,000 per month.

In view of the fact that Germany and Italy are now at war with both Canada and the United States, it is reasonable to expect that defence construction will be accelerated, more especially when winter conditions no longer interfere with operations.

#### COMMERCIAL SITUATION

Manufacturing concerns on the whole report capacity operations, with many finding it difficult to secure sufficient trained operatives. Volume increases of from 15 to 100 per cent are reported. In many cases it is difficult to keep raw materials in stock, and there is a tendency for unfilled orders to accumulate.

Wholesale and retail trade has been active, and many establishments report record sales. This is due to the large amount of work available and the substantial increase in price received by fishermen for their codfish. Bad debts, which have always constituted a serious problem for Newfoundland business, have been at a minimum.

#### SUMMARY

While the catch of codfish was somewhat lower than in 1940, the higher prices prevailing in foreign markets have enabled exporters to pay fishermen a much higher price for their product, and many of the latter have been able, for the first time in many years, to add to their savings or to open initial savings accounts. Those not engaged in the fisheries found little difficulty in obtaining employment elsewhere, particularly during the latter half of the year, at comparatively good wages. There was no contraction in woods operations except so far as this was due to a scarcity of suitable labour. Despite an unsatisfactory seal fishery, the enforced curtailment of salmon fishery and part-time operations of the Wabana iron mines, 1941 was on the whole a satisfactory year for the country.

With the prospect of a continuation of large-scale employment on defence projects, with a good demand and satisfactory prices prevailing in foreign markets for practically all Newfoundland's exportable commodities, and with an improved consumption of locally grown produce as a result of the greater spending power of the people, it can reasonably be expected that present favourable conditions will extend into 1942. In any case the progress of the war is bound to have a decided bearing on the national economy of the country.

### IMPORT AND EXCHANGE CONTROL IN NORTHERN RHODESIA

H. L. BROWN, ACTING TRADE COMMISSIONER

Johannesburg, March 20, 1942.—The importation of all goods into Northern Rhodesia is prohibited except under Open General Licence or under Special Licence issued by the Controller of Imports. Special Import Licences will be issued sparingly and only in cases where the imports are essential for the war effort or for the maintenance and well-being of the population. Open General Licence No. 3 authorizes the importation of a few specified articles without need for the Special Licence required for all other goods. Practically all imports originating in Canada are subject to special licensing because only essential supplies, unobtainable elsewhere, may be imported from dollar countries.



An Essentiality Certificate is issued when required by the exporting country. It consists of a stamped endorsement in a specific part of the relevant Special Import Licence.

Exchange control is in effect and is operated through the banks which release restricted currencies under instructions from the Central Exchange Control Authority. No difficulty is experienced in obtaining Canadian currency to pay for importations which have been authorized by Open General Import Licence or by Special Import Licence.

### OPEN GENERAL LICENCE No. 3

Government Notice No. 248 of 1941 promulgated Open General Licence No. 3 which was published and became effective on October 24, 1941. Previous Open General Licences were cancelled. The new enactment authorized the importation into Northern Rhodesia of the following categories of goods: 1. Goods in transit through the territory; 2. Used property and effects, including motor vehicles of persons arriving to settle in the territory; 3. Stores imported by the military authorities; 4. Spare parts, but not accessories, for: (a) Radio apparatus; (b) Typewriters, but not including typewriter ribbons, (c) Clocks and watches, but not cases therefor; 5. Spare parts when imported from any country except the Union of South Africa, but not accessories, for: (a) Motor vehicles, (b) Machinery and machines, except single-furrow ploughs weighing less than 100 lbs.; 6. Any bona fide, unsolicited gift not exceeding 11 lbs. in weight or £2 in value; 7. Commercial travellers' samples.

Articles classified under these headings may be imported from Canada by virtue of Open General Licence No. 3 which also allows for the importation of all goods, with specified exceptions, produced or manufactured in neighbouring and nearby countries and from any part of the British Empire except Canada. Certain goods may also be imported from duty-paid stocks already imported into South Africa and Southern Rhodesia. The following goods also may be imported from Canada and any other friendly country under Open General Licence No. 3: bone meal for use as cattle food, in bulk; fodder: chaff, hay, lucerne, oat-hay, oil-cake and other fodder; packing and lagging; for engines, machinery or piping; antifriktion and lubricating grease; motor spirit; lubricating oils; mineral, crude oils; paraffin; transformer and transil oils; books and printed music, newspapers and periodicals; cinematograph films not including blank film; scientific apparatus and instruments; surgical and dental instruments and appliances.

### SPECIAL IMPORT LICENCES

As already noted, Special Import Licences are issued sparingly. Such licences will normally be refused for the following goods from non-sterling countries, including Canada:—

Gramophones and radiograms; musical instruments; cigars, cigarettes and tobaccos; beer, wines, spirits and liqueurs; confectionery; tinned and bottled vegetables other than peas, beans and sweet corn; cutlery; crockery; aluminium ware; jewellery; firearms; polishes; soap, perfumery and cosmetics; stationery; furs; and metal furniture.

### FORM OF ESSENTIALITY CERTIFICATE

A new form of Special Import Licence has just been introduced and a part of it is reserved for the Essentiality Certificate when such is required. This part of the licence includes the following headings: These goods are required to maintain (e.g. food production); Purpose for which goods are required; Group (indicating industry); Classification (indicating urgency of supply); Priority rating.

## EXCHANGE CONTROL

Government Notice No. 740, published December 6, 1940, summarized the position concerning exchange facilities for imports before the institution of import control. Importers requiring exchange facilities for payment outside the sterling area for essential goods were required to apply through their bank before placing their orders and to produce satisfactory evidence that a substitute for the goods could not be found in the sterling area.

Non-sterling exchange is now released automatically by the banks when required to pay for non-sterling goods the importation of which has been authorized by licence. Applications for such exchange may be made either before or after the arrival of the relative goods.

## SUMMARY OF THE TRADE OF CANADA: MONTH OF APRIL AND FOUR MONTHS ENDING APRIL

The following table, compiled by the External Trade Branch, Dominion Bureau of Statistics, summarizes Canadian trade by main groups during the month of April and four months ending April, 1942:—

Main Groups	Month of April, 1942			Four Months ending April, 1942		
	Total Imports \$	From United Kingdom \$	From United States \$	Total Imports \$	From United Kingdom \$	From United States \$
<b>Imports for Consumption</b>						
Agricultural and vegetable products .. . . .	14,246,323	507,140	5,488,622	49,523,767	1,752,273	19,847,327
Animals and animal products .. . . .	2,612,111	326,769	1,311,269	11,429,082	1,512,626	5,604,936
Fibres, textiles and textile products .. . . .	14,244,155	5,491,076	4,762,217	64,695,611	25,821,492	21,974,913
Wood, wood products and paper .. . . .	3,290,061	93,671	3,117,375	13,798,892	694,021	12,801,764
Iron and its products .. . . .	37,159,686	427,114	36,729,190	139,609,774	2,851,109	136,560,875
Non-ferrous metals and their products .. . . .	7,164,995	297,508	5,631,081	31,393,023	1,718,491	22,851,873
Non-metallic minerals and their products .. . . .	17,076,827	1,053,056	14,805,400	58,411,844	4,751,068	49,121,190
Chemicals and allied products .. . . .	5,589,431	485,412	4,945,972	22,229,730	2,730,746	18,607,625
Miscellaneous commodities .. . . .	40,571,474	6,083,126	34,261,412	157,422,897	22,048,354	134,443,476
<b>Total imports</b>						
1942 .. . . .	141,946,063	14,764,872	111,052,538	548,514,620	63,880,180	421,813,979
1941 .. . . .	106,268,419	15,009,742	77,682,490	402,264,731	56,694,470	290,974,821
1940 .. . . .	85,979,519	13,368,275	58,536,937	304,859,113	44,361,848	209,908,227
Exports (Canadian Produce)	Month of April, 1942			Four Months ending April, 1942		
	Total Exports \$	To United Kingdom \$	To United States \$	Total Exports \$	To United Kingdom \$	To United States \$
Agricultural and vegetable products .. . . .	22,244,693	11,109,279	7,167,455	75,926,973	43,868,657	15,348,746
Animals and animal products .. . . .	17,320,313	7,609,844	7,863,184	84,237,424	46,863,245	29,131,530
Fibres, textiles and textile products .. . . .	3,533,139	134,215	1,674,430	12,139,533	550,479	4,604,184
Wood, wood products and paper .. . . .	29,581,973	3,618,326	24,702,495	121,888,887	11,856,582	101,977,629
Iron and its products .. . . .	30,179,830	8,709,868	1,948,446	130,252,168	41,397,431	8,083,315
Non-ferrous metals and their products .. . . .	24,868,205	9,923,300	11,730,253	92,695,309	37,330,599	41,267,554
Non-metallic minerals and their products .. . . .	3,831,470	589,938	2,965,799	15,869,811	1,485,526	11,905,465
Chemicals and allied products .. . . .	5,530,888	2,335,678	2,132,619	25,433,989	10,908,477	9,947,812
Miscellaneous commodities .. . . .	31,209,188	15,116,100	2,470,637	102,426,245	50,501,428	9,519,813
<b>Totals, 1942 .. . . .</b>	<b>168,349,708</b>	<b>59,146,548</b>	<b>62,655,318</b>	<b>660,870,339</b>	<b>244,762,424</b>	<b>231,786,048</b>
1941 .. . . .	116,932,587	55,017,187	42,401,445	405,369,151	182,024,521	138,948,427
1940 .. . . .	83,565,008	37,498,504	29,732,901	327,463,482	147,154,710	109,022,524
<b>Exports (Foreign Produce)</b>						
<b>Totals, 1942 .. . . .</b>	<b>1,647,888</b>	<b>626,240</b>	<b>630,976</b>	<b>6,581,328</b>	<b>1,445,962</b>	<b>3,667,169</b>
1941 .. . . .	1,460,507	104,088	1,028,747	5,459,139	1,250,647	2,727,949
1940 .. . . .	1,127,670	36,886	1,025,900	3,862,244	111,301	3,524,700
<b>Excess of imports (i) or exports (e)</b>						
<b>Totals, 1942 .. . . .</b>	<b>(e)28,051,533</b>	<b>(e)45,007,916</b>	<b>(i)47,766,244</b>	<b>(e)118,937,047</b>	<b>(e)182,328,206</b>	<b>(i)186,360,762</b>
1941 .. . . .	<b>(e)12,124,675</b>	<b>(e)40,111,533</b>	<b>(i)34,252,298</b>	<b>(e)8,563,559</b>	<b>(e)126,580,698</b>	<b>(i)139,298,445</b>
1940 .. . . .	<b>(i)1,286,841</b>	<b>(e)24,167,115</b>	<b>(i)27,773,136</b>	<b>(e)26,466,613</b>	<b>(e)102,904,163</b>	<b>(i)97,361,003</b>



## CONTROL OF EXPORTS FROM CANADA: REGULATIONS AMENDED

By Order in Council P.C. 4361, effective on and after June 1, 1942, the following items will require an export permit for shipment to any country:—

### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Wheat germ and wheat germ middlings.  
Oat groats or hulled oats, oat middlings.  
Oat shorts and animal feeding oatmeal.

### GROUP 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

Lamp and lantern chimneys of glass.  
Demijohns or glass carboys, bottles, decanters, flasks, jars, phials and balls of glass.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### DEFERRED DUTIES ON IRON AND STEEL HOOP

Deferred duties under Australian customs tariff item No. 136F2, "Iron and steel hoop not elsewhere included in the tariff, except cold rolled hoop from  $\frac{3}{8}$  inch to 6 inches in width both sizes inclusive and from 0.0148 inch to 0.08 inch in thickness both sizes inclusive" that were to have gone into effect on April 1, 1942, have been further deferred until April 1, 1943. Present rates are: Free of duty under British preferential tariff, 15 per cent ad valorem under general tariff. Deferred rates are: 10 per cent ad valorem under the British preferential tariff, 22½ per cent ad valorem plus 70s. per ton (2,240 pounds) under general tariff. The British preferential tariff rate applies to imports from Canada, the general tariff to those from all countries outside the British Empire.

### New Zealand

#### IMPORT LICENSING OF MOTOR VEHICLE PARTS

A New Zealand customs memorandum of April 14, 1942, provides that "additional licences may be granted, on application, for imports of spare parts of motor vehicles from Canada and the United States for amounts equivalent to the amounts of Sixth Period licences already granted for imports of similar goods from the same sources". (The Sixth Licensing Period is the year 1942.)

The scheduled quota for motor vehicle parts classified under the New Zealand tariff item for "metal fittings, mountings and trimmings suited for the manufacture or repair of vehicles", and those classified as "materials and minor articles for the manufacture or repair of goods within New Zealand", from the United Kingdom and other British countries, including Canada, is 100 per cent of imports from the same sources in 1940.

As regards spare parts of motor vehicles not provided for in the foregoing or any other item of the tariff, applications for import licences are considered individually. These are designated as being under "control" and there is no fixed quota for importation.

### Union of South Africa

#### PRIVATE BUYING OF STEEL IN UNITED STATES CEASES

A Notice (No. 164) issued by the Department of Commerce and Industries of the Union of South Africa, forwarded on March 30, by Mr. J. C. Macgillivray, Canadian Trade Commissioner, states that an allocation of steel products has been obtained for export to the Union from Great Britain and the United States to meet a portion of the essential requirements of the Union which the local steel

industry cannot fulfil. The allocation is subject to the conditions that distribution in the Union be controlled and private buying of steel in the United States cease. Therefore, no further import permits or certificates of essentiality will be issued to importers to obtain steel in the United States. Steel from the United States will be purchased by the Import and Export Control Board through the South African Purchasing Commission in New York. Applications for the import of steel are in future to be submitted to the Controller of Iron and Steel, Johannesburg, accompanied by information regarding the purpose for which the steel is required. Users of steel products who have in the past obtained their requirements ex local merchants' stock are to continue using that channel and not make application to the controller.

The term steel or steel products as used in the Notice means iron and steel in the form of: Pig; scrap; ingot; billet, bloom, slab, sheet bar; plate, sheet (whether coated or uncoated) but excluding tinplate; angle, channel, tee, joist, piling section, other structural sectional material; round, rod, square, hexagon, flat, other section or shape (whether black or bright); rail sleeper, and fastenings therefor; hoop, strip (whether coated or uncoated); tube, pipe, other tubular products and standard fittings therefor (whether coated or uncoated); tire, axle, wheel; casting, forging, stamping; shaft guide, pit prop, other underground supports and accessories therefor; bolt, nut, rivet, stud, screw, nail, staple, washer; wire rod, coated or uncoated wire (plain or barbed), wire rope, wire strand, wire netting, wire mesh, wire screen; fencing standard and dropper; drill and tool; grinding ball and slug.

### **Ireland**

#### **SUSPENSION OF TEXTILE RESTRICTIONS**

Mr. George Shera, office of the Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire, dated March 24, 1942, the cessation of the import quota restrictions on imports into Eire of hosiery (other than half-hose) made wholly or partly of silk or artificial silk; and on woven tissues of wool or worsted exceeding 3s. per square yard in value, has been extended for a further six months, from April 1, 1942, to September 30, 1942.

### **British India**

#### **PARCELS BY POST DO NOT REQUIRE NON-MANIPULATION CERTIFICATES**

With reference to an article in the *Commercial Intelligence Journal* No. 1971 (November 8, 1941), page 561, Mr. Paul Sykes, Canadian Government Trade Commissioner at Bombay, reports that parcel post shipments to India need not be accompanied by non-manipulation certificates. The certificate in question is one which is required, in the absence of through bills of lading, for goods in the Indian restricted import list which are shipped from Canada to India via a United States port. The Commerce Department in India gives the opinion that dispatch by parcel post is similar to dispatch on a through bill of lading, so that for parcel post shipments there is no need to supply the non-manipulation certificates.

### **Newfoundland**

#### **TARIFF MODIFICATIONS**

The Newfoundland Secretary for Customs has given notice that, effective from May 24, 1942, the duty on cows, item 27 of the Tariff, is to be \$22.50 per animal, or the former rate of 30 per cent ad valorem, whichever is the lesser. The rate remains 30 per cent ad valorem on oxen and bulls.

From the same date, the Revenue War Tax of  $7\frac{1}{2}$  per cent ad valorem levied on nearly all goods imported from non-sterling countries, including Canada, on November 30, 1940, was removed on certain fish hooks (item 352); ships and other vessels, excluding small craft (item 423); various ship equipment (item 424); animals and poultry for breeding purposes (item S-1106).



## Mexico

## CONTROL OVER SALE OF RICE, BEANS AND CORN

Mr. C. Valencia Juárez, of the Office of the Canadian Trade Commissioner in Mexico City, reports that on account of the high cost of living the export of rice from Mexico has been prohibited. The *Financial and Mining Bulletin of Mexico*, issued on May 19, announced that on account of excessive price increases in Mexico on articles of prime necessity, the Secretary of National Economy held a meeting with the Manager of the National Bank of Ejido Credit representing the Municipal President, the Manager of the National Distributing and Regulating Commission, and the Director of the Commercial Intelligence Service of Mexico. It was agreed at this meeting, the Bulletin says, that in accordance with the desires of the President of the Republic, the Federal Government will control production and stock on hand of rice, beans, and Indian corn, held to be indispensable to the Mexican people, as in the absence of absolute control these commodities would continue to increase in price day by day. The Secretary of National Economy is to periodically fix the maximum prices at which these products are to be sold.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 1, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 1, 1942, and for the week ending Tuesday, May 26, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 26	Nominal Quotations in Montreal Week ending June 1	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2617	.2608	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6328	.6328	4
Venezuela . . . . .	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3319	.3324	—
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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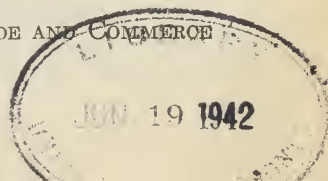
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THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER





## NEW TRADE COMMISSIONER OFFICE IN NEWFOUNDLAND

As a wartime measure, in order to deal with the many pressing trade questions which arise between Canada and Newfoundland, a Trade Commissioner office, in charge of Mr. R. P. Bower as Acting Canadian Government Trade Commissioner, will be opened at St. John's, Newfoundland, about July 1.

Office accommodation will be provided in the premises occupied by the High Commissioner for Canada in St. John's.

## AUSTRALIA'S NEW ECONOMIC WAR PLAN

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, April 16, 1942.—The critical situation which has developed in the southwest Pacific following the loss of Malaya and the Dutch East Indies has resulted in the promulgation of drastic regulations designed to place the Commonwealth of Australia on a total war footing. These new regulations were first gazetted on February 20.

### CONTROL OF MANPOWER AND PROPERTY

The new regulations empower the Government to require any person to perform any specified service for the nation, and to place his property as and when required at the service of the Commonwealth. The Prime Minister, Mr. Curtin, pointed out that the regulations would provide the necessary strength and stability in Australia's economic structure, and ensure the smooth transfer to wartime needs of the country's facilities. The main objectives of the plan are to distribute income and sacrifice throughout the nation as a whole, and at the same time maintain price levels on as low a scale as possible under wartime conditions. While the new regulations do not give power to the Government to confiscate property, they enable the Commonwealth to require the use of any property for the better prosecution of the war. No restriction is imposed on savings bank and other bank deposits, and the availability to depositors of their funds will not be in any way affected.

### CONTROL OF PROFITS

In connection with price control, the Prime Minister announced that it would be the duty of the Prices Commissioner to control prices so that profits would be limited to an average of 4 per cent on capital employed in business as defined by the Wartime Company Tax Act. Profits in excess of that amount would be payable in taxation, and the tax would be applied to all companies and to other enterprises the incomes of which, after payment of taxation, are in excess of £1,500 (\$5,250) per annum, inclusive of reasonable remuneration to the working proprietors.

### BAN ON SALE OF PROPERTY

The new regulations prohibit the transfer or sale of (1) any freehold land, (2) land leased for more than three years, or for a shorter period if it is not for the sole use of the transferee, (3) shares, stock, or debentures of a company, and (4) such other forms of property as may be prescribed. It is of interest to note that these regulations do not apply to Commonwealth bonds or securities issued by semi-government authorities, nor do they control mortgages and permitted transactions resulting from the discharge of mortgages. Penalties are, however, imposed to prevent the use of any device purporting to arrange for prohibited transfers at some future date. Certain exceptions are permitted, such as in the case of (1) a contract or agreement which the Treasurer is satisfied

was entered into before February 10, 1942; (2) an option arising from such a contract or agreement; (3) disposal of property by the personal representative of a deceased person, a trustee in bankruptcy, or the liquidator of the company in liquidation. In addition, the Commonwealth Treasurer may order exemption in a particular class of prohibited transactions. General exemptions to classes of transactions will not be freely given, however, but an order will be published to allow for the transfer of shares, stock or debentures necessary to complete a transaction entered into before February 10, 1942. Further, exemption for particular transactions will be directly limited to those necessary to prevent hardship or to meet urgent commitments. Commenting on these regulations, the Prime Minister made the following statement:—

"The objective is to limit sales to those necessary for the maintenance of the essential economic life of the community. This is not a time for buying and selling property merely for the purpose of speculation. Transfers of property must and will be limited to essential needs, and every effort will be made to stabilize the value of property and to prevent fluctuations brought about by people who, to use the parlance of the market, prefer a 'hedge' against risks of personal fortune at the expense of their obvious national duty of subscribing to the war effort."

#### STABILIZATION OF WAGES

Under Part 5 of the regulations all wages have been pegged in accordance with the following determination: "An employer shall not pay or offer to pay, and an employee shall not accept or seek to accept, any remuneration in respect of the employment at a rate different from the rate prescribed by an award, order or determination of an industrial authority or industrial agreement in force in relation to that employment on February 10, 1942." It is pointed out that this does not imply a reduction in the pay of persons receiving remuneration above the award rates, nor will submissions for an alteration of award rates made before February 10, 1942, be affected. All such submissions must, however, be heard and determined by an industrial authority before May 1, 1942.

It is further provided in the regulations that the pegging of wages shall not affect cost of living variations, the promotion of an employee to a higher position, or the completion of probation or periodical increments granted to employees under the terms of their employment.

Of particular interest and significance is the specific order in the new regulations prohibiting absence from work without legitimate excuse. This applies equally to employers and employees. Legitimate excuses are defined as illness or incapacity, normal leave of absence, or domestic or other pressing emergency.

#### CONTROL OF INTEREST

Under the new regulations, the Commonwealth Bank, on behalf of the Government, has issued specific instructions to all trading banks and financial organizations declaring maximum rates of interest for bank overdrafts, fixed deposits, savings bank deposits and certain other types of transactions involving interest payment. No contracts made prior to this order will be affected, however, as, for example, rates paid by banks on existing fixed deposits will not be varied.

The order fixed the maximum rate of interest on trading bank overdrafts at 5 per cent from the date of the order, and reduced the rate to be paid on new fixed deposits and renewals of existing deposits by one-quarter of 1 per cent. The order stated that the new rates would apply to fixed deposits renewed at maturity (reached since the date of introduction of the regulations); these rates are to be: three months,  $1\frac{1}{4}$  per cent; six months,  $1\frac{1}{2}$  per cent; twelve months,  $1\frac{3}{4}$  per cent; twenty-four months, 2 per cent.



## LOANS TO LOCAL AUTHORITIES

The maximum rate of interest for loans to local authorities will be  $3\frac{5}{8}$  per cent, where the repayment of the loan is guaranteed by a government, and  $3\frac{7}{8}$  per cent in other cases. Government-guaranteed loans to a building society are to be at a rate not exceeding  $3\frac{7}{8}$  per cent, though provision is made in the regulations for exemptions to be granted in special circumstances. The rate of interest on unsecured loans by companies other than banks has been reduced from  $1\frac{1}{2}$  per cent to  $1\frac{1}{4}$  per cent per annum, in accordance with the reduction of the bank rate for three months' fixed deposits. This limitation applies to such bodies as building societies, declared pastoral companies, and partnerships. It is emphasized that no company or person may pay or charge interest at a rate higher than the fixed rate without the order of the Commonwealth Bank.

## PASTORAL COMPANIES

Of particular interest in this country is that section of the regulations which fixes the rate on loans by pastoral companies at  $5\frac{1}{4}$  per cent, other than in respect of loans made before the date of the order and not repayable on demand. The maximum rate for new loans by building societies and co-operative societies is  $5\frac{1}{2}$  per cent or the rate charged on similar loans immediately prior to the order, whichever is the lower. Similarly, the rate on new loans by life offices against their own policies is not to exceed 5 per cent.

As apart from fixed deposits in trading banks, it is specifically ordered that, under the new regulations, rates of interest on deposit accounts with the Commonwealth Savings Bank and the State Savings Bank of Victoria will be fixed at 2 per cent on the first £500 (\$1,750) and  $1\frac{1}{2}$  per cent on any further balance up to £1,000 (\$3,500). No interest is to be paid on balances in excess of £1,000 in savings banks, though exception is made in the case of benevolent societies and similar bodies on whose deposits it has been customary to pay interest on the full balance. A rate of 2 per cent (maximum) will be allowed in such cases.

## PRIORITIES IN INDUSTRY: NEW MAN-POWER REGULATIONS

Coincident with the promulgation of the new regulations governing industry, a detailed schedule was issued by the Commonwealth Department of Labour outlining occupations to be considered as "reserved occupations" and industrial priorities, as a guide to man-power officers in granting exemptions from military service. The new schedule is to be used immediately as the basis for classification of all males liable for military service, and is designed to strike a balance between the Commonwealth's fighting forces and the economic production required to support them. The general purpose is to retain in industry only such male labour of military age as is essential to the adequate supply of materials, food-stuffs and essential services to the forces and to meet the essential minimum needs of civil life.

In outlining the regulations, the Minister for Labour stated that two main principles borne in mind in formulating the legislation were (1) the reservation of industries must accord with their relative importance to the war effort, and would be based on (2) the function performed rather than on a general occupational category, as far as possible. In many key industries no specific reservation has been made, and treatment of these callings will be based on continuous inquiry into their actual man-power needs. Man-power officials have been given authority to grant temporary or permanent exemption to a person, but may vary or cancel exemptions already given.

The regulations dealing with industrial priorities will be used first for enlistment or call-up for the armed forces, and secondly for the regulation of employment by the direction of persons able and willing to transfer from low to high

priority groups. The extent to which labour will be lost to industry will be governed by four principal factors: (1) persons medically unfit for the armed forces will be retained; (2) males in the older age groups will tend to remain in industry; (3) personal factors such as hardship will be considered; (4) the Deputy Directors-General of Manpower will be able, if necessary, to relax the lists in particular sections of industry dealing with essential supplies.

In the published lists of occupations, industries have been given priority in accordance with their importance in a total war effort, and classified under three headings, viz.: Class 1, industries in which production must be maintained and increased; Class 2, industries which may be allowed to fall off only to a limited extent; Class 3, industries which may be allowed to decline substantially without injury to the war effort. A copy of the full Schedule of Priorities according to occupations is on file at the Department of Trade and Commerce, Ottawa, and is available for inspection by interested Canadian firms on application (quote file No. 32768).

#### CIVILIAN LABOUR CORPS

In connection with the new man-power regulations, it is of considerable interest to note the decision of the Commonwealth War Cabinet to form a civilian labour corps drawn from the population registered for military training. Service in the corps will be compulsory for the men selected. It will be solely for the Allied Works Council, and civilian rates of pay will apply. It is provided, however, that the corps may be brought under military control and discipline in an emergency. It is further provided that employment of the corps is to be restricted to works undertaken by the Allied Works Council, such as construction of strategic roads, aerodromes, camps and other government areas, etc., and that all construction gangs already employed on such works will be absorbed into the new labour corps.

#### MANUFACTURE OF NON-ESSENTIALS

Following the promulgation of the foregoing man-power regulations, by which all available men and materials will be drafted into essential war industries or to the fighting services, the manufacture of a wide variety of non-essential goods has been prohibited by the Commonwealth authorities. Goods affected by the prohibition range from domestic washing-machines to jewellery, and include practically all classes of luxury and non-essential items. The utmost care has been taken to maintain production of essential commodities for civilian use, at the same time eliminating all items not regarded as essential in war time. Coincident with the publication of the list of prohibited manufactures, all manufacturers were required to supply statements showing the number and types of workers likely to be released for wartime production work as a result of such prohibitions, in addition to particulars of machinery, plant and materials, factory, office and storage space likely to become available as a result of these withdrawals.

To prevent profiteering in the sale of present stocks of goods included in the prohibited list, the Commonwealth Prices Commissioner has pegged all prices at those prevailing on February 10, 1942. In addition, the importation of goods affected from those states of the Commonwealth in which the manufacturing ban does not yet apply is prohibited.

#### PRICE CONTROL

A more rigid system of price control has been set up by the Commonwealth Prices Commissioner as from April 16, 1942. The chief features of the orders are: (1) Prices of all goods and services will be pegged at the levels ruling April 15, 1942, increases can be made only when permission is given to add increased costs under the averaging principle; (2) goods already declared and subject



to averaging will continue under the averaging principle as laid down in the new order (new goods declared cannot be averaged without permission); (3) the prices for all services will be pegged at the level of April 15, but application for adjustment can be made where costs increase.

The result of these far-reaching regulations will be the conversion of the Australian Commonwealth to a total war footing and will, in the opinion of economic experts and responsible business executives, result in a marked improvement in Australia's war output. Furthermore, the regulations have been designed to cause as little dislocation as possible and, in view of the critical situation in the southwest Pacific, have been accepted cheerfully by all classes.

## FOOD RATIONING IN THE UNITED KINGDOM

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, May 14, 1942.—Food rationing was introduced in the United Kingdom at a much earlier stage in this war than during the first Great War. The Ministry of Food was established immediately after war was declared, in September, 1939, but plans had advanced well beyond the initial stage long before that date through the medium of the Food (Defence Plans) Department of the Board of Trade. The people accepted rationing as a necessary adjunct to a successful prosecution of the war, and have at all times co-operated wholeheartedly, from the initial stages of simple allotment of relatively few products to the present almost all-embracing scheme. A very complex problem has been handled amidst endless difficulties with marked efficiency. The nation has not only been fed, but it has been well fed. The high standards of work and health bear testimony to these facts.

The civilian food rationing system at present in operation in the United Kingdom may be divided into three parts. First, the foods that are allotted weekly or monthly on a definite scale; second, the foods that are rationed on a method of personal choice but with a maximum total for the group, and, third, the unrationed foodstuffs.

In the first group are included milk, meat, bacon, eggs, cheese, butter, fats, jams or preserves, tea, sugar, and, shortly, sweets. The quantities allowed have been fairly constant but may vary from time to time in accordance with supply. Children under six years of age receive the same amounts of food as adults, excepting meat, of which they get half of the adult ration. Miners, heavy industry workers, agricultural workers and some of the other civilian classes are allowed larger quantities of cheese. School children, invalids, nursing mothers and expectant mothers are provided with extra supplies of milk. When oranges are available children have first choice. In this group registration with retailers is compulsory.

### "POINTS RATIONING" SCHEME

The "Points Rationing" scheme embraces all foodstuffs included in the second group, i.e. canned meats, canned fish, rice, sago, tapioca, dried fruits, canned fruits, cereals except oatmeal, dried beans, some canned vegetables, etc. The method has been designed to give some freedom in the selection of products that, although by no means unlimited in supply, are not suited to all tastes. It is very elastic in its application, requires no registration with a retailer, gives choice and variety to the purchase of some of the so-called supplementary articles of diet, and the values can be changed, if necessary, every four weeks' period, depending on supply and demand. At the present time each person is entitled to 24 points per period.

The free group includes: bread and bakery goods; fresh vegetables, excepting onions; soups; fresh, salt and frozen fish; rabbit; poultry; oatmeal; fresh fruit;

coffee; cocoa, etc. Fresh tomatoes have been free of rationing but are likely to be controlled this year to ensure that everyone has an opportunity of obtaining a fair share of the production. There has been no scarcity of bread, potatoes and carrots; other vegetables have been seasonally in good supply. Fish has been in short supply and lacking in variety. Fresh fruit has been very scarce. Poultry of all kinds is almost unobtainable.

Price control has been rigidly applied to nearly all foodstuffs and is a vital part of the Government's policy to avoid inflation. Evasions of the controls are being met vigorously by prosecutions and heavy fines. "Black markets" and "racket prices" in some things, principally in luxury articles, which are uncontrolled, have been experienced. However, these things, in reality, affect but a small percentage of the public, and they have the remedy in their own hands—refusal to purchase at outrageous prices.

### CIVILIAN RATIONS AT PRESENT EFFECTIVE

Following is a summary of civilian rations currently in effect in the United Kingdom:—

#### GROUP I. "Fixed Rations":—

*Milk*: Half a pint per day, except special classes.  
*Meat*: 1s. 2d. value per week, includes beef, veal, lamb, mutton, pork as available.  
*Bacon*: Four ounces per week plus small amount obtainable occasionally off the ration, principally heavy middles.  
*Eggs*: Five per month (was 1 to 2 per month in winter); more for children and invalids.  
*Cheese*: Three ounces per week; 12 ounces for special classes.  
*Butter*: Two ounces per week.  
*Margarine*: Four ounces per week.  
*Cooking Fats*: Two ounces per week.  
*Jams*: One pound per month, includes jam, marmalade, syrup, honey.  
*Tea*: Two ounces per week.  
*Sugar*: Eight ounces per week.  
*Sweets*: Four ounces per month.

#### GROUP II. "Points Rations":—

Each individual allowed 24 points each four weeks. Points values at present are as follows:—

##### (1) *Canned Meats*:—

Tongues.....	32 points per lb. net.
U.S.A. luncheon meat.....	24 points per lb. net.
Eire stewed steak and Australian minced meat loaf.....	32 points per lb. net.
Canned rabbit.....	20 points per lb. net.
U.S.A. pork sausage meat.....	12 points per lb. net.

##### (2) *Canned Fish*:—

Salmon $\frac{1}{2}$ 's flat.....	20 points	} per container.
Grades 1 and 2, $\frac{1}{4}$ 's flat.....	10 points	
Grade 3.....	24 points per lb. net.	
Crayfish.....	24 points per lb. net.	
Sardines.....	3 to 8 points according to size and grade.	
Other canned fish.....	According to variety and size.	

##### (3) *Whole rice, sago and tapioca*..... 4 points per lb. net.

##### (4) *Dried Fruits*:—

Dates, figs, prunes.....	8 points per lb. net.
All others.....	12 points per lb. net.

##### (5) *Canned Fruits*:—

Gallon apples 10's.....	30 points per tin.
Others.....	According to size of tin.

##### (6) *Tomatoes*..... 6 points per lb. net.

##### (7) *Cereals*..... 2 to 4 points according to size of package and kind.

##### (8) *Canned Milk*..... 4 to 10 points depending on size and kind.



## WELSH COAL IN WARTIME

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Bristol, April 30, 1942.—Production of coal is at the moment one of the most important factors in Britain's war effort, and South Wales normally produces about one-sixth of the total for the United Kingdom. The estimated output of salable coal during the first half of 1939 (the last available issue of statistics) was 114,365,656 tons from all British mines, and this compares with just under 116,000,000 tons in 1938. During the first quarter of 1939, there was a credit balance of 2s. per ton for the whole country, but for South Wales this was only 6d. per ton. These figures were very considerably reduced for the second quarter, especially for the whole country.

In 1938, the average (monthly) number of persons employed in South Wales collieries was 136,116 compared with 233,134 in 1913, while the average output per man employed was 259 tons as against 243 tons in 1913. In the year before the present war British coalfields exported some 38,000,000 tons of coal in addition to 10,500,000 tons for foreign bunkers. In normal times, South Wales coal comprised over 50 per cent of the total United Kingdom export, mostly steam coal and anthracite. Latest statistics of Welsh coal exports are:—

	1938 Tons	Jan.-July, 1939 Tons
Coal shipments (foreign):		
Bristol Channel (exclusive of bunkers) . . . . .	14,583,638	9,605,521
Port of Cardiff (exclusive of bunkers) . . . . .	7,353,736	4,759,459
Coal shipments (coastwise) from port of Cardiff . . . . .	1,900,008	1,312,026
Bunkers shipped at port of Cardiff in foreign going steamers.	1,557,540	1,000,420
Coke shipped at port of Cardiff . . . . .	90,857	49,654
Patent fuel shipped at port of Cardiff . . . . .	263,987	352,512

The outbreak of war cut off much of this trade, leaving only Spain, Portugal, Eire, Egypt, Canada, and South America as potential export markets. Lack of tonnage and heavy insurance costs permitted the United States to undercut, for a time, British coal prices to the two last mentioned. Export shipments to Eire and most other destinations now have practically ceased.

Perhaps the greatest wartime change in the coal industry of South Wales has been the disappearance of its large export trade, especially since the collapse of France. This has naturally left more coal for inland disposal, but that in turn created awkward situations to which the trade was not only unaccustomed but almost hostile, on account of changes necessitated in their traditional system. In addition, some disorganization was caused by the greatly increased consumption of coal for the vast growth in general industrial output. The army has been recruiting and conscripting coal miners freely, and until very recently the War Cabinet has refused to release them to work underground. War industries, too, with their higher wages, have attracted some 60,000 miners to their ranks in addition to a large number of youths who might normally have entered the pits as a matter of family tradition when they attained working age. Older and less fit workmen to the extent of some 17,000 have been added to the mine workers as a result of the Essential Works Order which was applied to mines a year ago, but the skilled workmen lost to the industry for military services since the war are stated to be over 80,000. As a result, some coalfields have not been able to attain the objectives set for them, and the total coal target production of 4,500,000 tons per week was never attained till last winter was well advanced.

### NEW RATIONING SCHEME PROPOSED

As war industry is still growing apace, even that figure is now too small and the Government has just announced that a new scheme of fuel rationing further to curtail the use of coal has been formulated. An expert has reckoned

that the quantity of coal available at the present time for home consumption is about 200,000,000 tons per year; that about one-quarter of it goes to gasworks, power stations, and coke ovens; one-quarter to industrial establishments; one-quarter to domestic users; one-eighth to railways, shipping and colliers; the remaining one-eighth being consumed by hospitals, schools, hotels, and local authorities. In addition, there is the reserve capacity for the storage of about 20 million tons to be put aside before next winter. The President of the South Wales Miners Federation, broadcasting last night to the nation, stated that an increased output of coal of from 5 to 10 per cent per colliery would put an end to present coal worries, so it will be seen that the situation is not overwhelming and, indeed, is quite capable of rectification.

At time of writing it is impossible to give a definite outline of the new government rationing scheme because it is obvious that there is going to be much opposition to it, both in Parliament and in the country. Difficulties of computation, checking, and enforcement present big problems too, and the plan of Sir William Beveridge (in his Special Report to the Board of Trade) to save 10,000,000 tons per year by reduced consumption, may have to be met in great part by increased production which, in turn, would mean the release of some 30,000 more miners from the army. Fortunately, there is plenty of coal available in the country, and it is only the question of producing and distributing it fairly that is causing trouble.

### **SOUTH AFRICAN SOCIAL AND ECONOMIC PLANNING COUNCIL**

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, reports that the South African Government has announced the terms of reference and personnel of the Social and Economic Planning Council, which is to provide the machinery for dealing with social and economic reconstruction. The purpose of the Council is: (1) to investigate, and make representations for promoting, the planned development of the resources of the Union and its internal and external trade, as well as the prosperity and well-being of the population as a whole; (2) to examine and make recommendations on schemes and suggestions made from time to time to improve the social and economic standards of the various sections of the community; (3) to review the policies and programs of the various departments and boards which had an economic or social bearing, with a view to advising the Government on steps to secure their better co-ordination; (4) from time to time to nominate, with the concurrence of the Government, consultative sub-committees for special investigations and inquiries; (5) generally to advise the Government on social and economic policy.

### **ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA**

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

#### **VI. Trade with the United Kingdom and the United States**

The United Kingdom and the United States are now the two important consumers of Argentine export products. These two countries took 68 per cent of all exports from Argentina in 1941 as compared with 41.3 per cent in 1938. This reflects the loss to Argentina of her Continental European markets, which formerly took around 50 per cent of Argentine grain surpluses.

The distribution of the Argentine balance of payments between the United Kingdom and other exchange compensation agreement countries, on the one



side, and the United States and the other hard currency countries, on the other, is as follows:—

*Argentine Balance of Payments, 1941*

	United States and Others In Canadian Dollars	United Kingdom and Others Dollars
Credits—		
Argentine exports . . . . .	302,000,000	217,300,000
Net capital transfer . . . . .	108,300,000	.....
Sundry . . . . .	20,000,000	20,000,000
Total credits . . . . .	430,300,000	237,300,000
Debits—		
Argentine imports of merchandise . . . . .	229,000,000	133,000,000
Public debt service . . . . .	24,830,000	21,300,000
Public expenses . . . . .	4,600,000	330,000
Private financial services . . . . .	33,000,000	55,660,000
Total debits . . . . .	291,430,000	210,290,000
Repatriation of public debt . . . . .	.....	— 7,000,000
* Imports of gold . . . . .	— 330,000	.....
Adjusting commercial debt . . . . .	— 2,000,000	+ 1,000,000
Net balance to Argentina . . . . .	+ 136,540,000	+ 21,010,000

The foregoing table gives a general indication of the division of Argentine trade between these two broad groupings of countries. The following table indicates the distribution of the main items in Argentine export trade in 1941 as between the United States, the United Kingdom, and other countries as compared with the distribution in 1938:—

*Argentine Exports of Main Commodities*

	United Kingdom		United States		Other Countries	
	1941	1938	1941	1938	1941	1938
Beef—	%	%	%	%	%	%
Chiller type . . . . .	100	100	..	..	..	..
Continental type . . . . .	94	12	..	..	6	88*
Frozen mutton . . . . .	98	91	..	..	2	9
Canned meats . . . . .	66	59	24	25	10	16
Frozen pork . . . . .	100	93	..	..	..	7
Casein . . . . .	23	30	60	..	17	70
Butter . . . . .	62	65	19	..	19	35
Offals . . . . .	100	89	..	..	..	11
Salt cattle hides . . . . .	19	10	66	15	15	75
Greasy wool . . . . .	3	27	86	11	11	62
Wheat . . . . .	28	15	..	..	72†	85
Flaxseed . . . . .	11	3	80	28	9	69
Corn . . . . .	25	31	..	..	75	69

\* Mainly Germany. † Brazil.

The Argentine export commodities listed in the foregoing table represented 62·2 per cent of all Argentine exports in 1941. These items also accounted for 82·4 per cent of all exports to the United Kingdom and 72·6 per cent of all exports to the United States.

ARGENTINE IMPORTS FROM THE UNITED KINGDOM

The United Kingdom took grain, meats and other products, almost entirely agricultural, to the average value of £40 million sterling at Argentine ports during each of the years 1939 and 1940; the figure for 1941 was only slightly lower. In return for these Argentine products that were shipped to the United Kingdom Argentina received around 45 per cent of their value in United Kingdom products, of which 75 per cent was in six items, namely, textiles, coal, railway equipment for the British-owned railways in Argentina, live-stock dips, tinplate, and

bicycles. The remaining 25 per cent was in other British manufactured goods. In addition Argentina received around £5 million worth of British colonial products, largely Indian jute for making grain bags. The remaining 40 to 45 per cent of the Argentine shipments of products to the United Kingdom went to pay for financial and other services. These services included the earnings of the British-owned railways and of British insurance companies and banks and other British enterprises operating in Argentina, shipping, and the servicing of the sterling portion of the Argentine Government's external debt. In 1941 United Kingdom investments in Argentina were estimated officially at the equivalent of \$1,802 million.

The following table shows the relative importance of the principal United Kingdom products imported into Argentina. Taking 1938, the last full pre-war year, as a base, Argentina received in 1939 and 1940, greatly reduced quantities of the principal items—coal, textiles, rolling-mill products, bicycles, and miscellaneous goods (tinplate and live-stock dips increased)—despite a higher aggregate sterling budget provided for United Kingdom goods. This was due, of course, to higher prices and increased ocean freights since the war commenced. Coal, for example, was costing Argentina 91 per cent more in November, 1941, than in August, 1939, and textile prices were 47 per cent higher at Argentine ports.

*Argentine Purchases from the United Kingdom*

	1938	1939	1940
	£1,000	Tons	Tons
Textiles . . . . .	4,940	100.0%	— 5.7%
Coal . . . . .	3,820	2,086,893	2,054,033
Railway materials . . . . .	1,690	4,645	2,452
Rolling-mill products . . . . .	900	100.0%	— 9.0%
Sheep dips . . . . .	610	8,510	9,370
Tinplate . . . . .	600	30,884	51,813
Bicycles and parts . . . . .	370	No. 97,106	No. 83,563
Sub-total . . . . .	12,900	.....	.....
Percentage total . . . . .	74.5	.....	.....
All other . . . . .	4,400	100.0%	+23.0%
Grand total . . . . .£	17,300	17,300	17,400
			19,900

Argentina was exporting the products of her depressed pastoral and agricultural industries (of which 45 per cent was made up of her choicest meats and another 33 per cent of grain, which have been almost continually subsidized during the past ten years) in return for (a) 55 per cent of their value in the form of British goods (of which 70 per cent was the product of the depressed coal-mining and textile industries, the latter in turn based on agricultural raw materials partly supplied by Argentina), and of colonial products such as jute, tinplate, and crude rubber; and (b) 45 per cent of their value to meet services, including financial services on the £400 million sterling invested in Argentina.

BALANCE OF PAYMENTS

In 1941 the balance of payments position between Argentina and all the countries with which she has compensation agreements was favourable to Argentina to the amount of \$21 million.\* The United Kingdom has been the principal country in this group since June, 1940. Brazil, which was added to the group in June, 1941, supplied Argentina with \$42 million in goods during that year. Germany and Italy were the principal countries before the war, and earlier in the war the group included France. The other important country now in the group is Spain.

\* Argentina had an unfavourable balance of \$13 million with Brazil in 1941, so that her favourable balance with other compensation agreement countries (of which the United Kingdom was the important country left) was \$34 million after she had repatriated \$8 million of debt. This would leave the amount of blocked sterling at around £10 million.



*Argentine Balances with Compensation Agreement Countries*

	1937	1938	1939	1940	1941
	Millions of Canadian Dollars				
Credits—					
Argentine exports . . . . .	48	69	74	234	218
Sundry . . . . .	..	..	..	6	20
Debits—					
Argentine imports of goods . . . . .	53	61	69	148	133
Public debt service . . . . .	..	..	4	19	21
Public expenses . . . . .	3	3	3	2	1
Private financial services . . . . .	..	..	4	29	56
Balance . . . . .	— 8	+ 5	— 6	+42	+27
Repatriation of public debt . . . . .	..	..	..	—11	— 7
Adjoining common debt . . . . .	..	..	+10	+ 9	+ 1
Charge in transferable expenses . . . . .	..	..	..	—18	..
Net balance . . . . .	— 8	+ 5	+ 4	+22	+21

In 1941 Argentina received 33 per cent of all her imports of merchandise from compensation agreement countries and placed 41 per cent of all her exports with this group.

## UNITED KINGDOM PURCHASES FROM ARGENTINA

The United Kingdom is the principal consumer of Argentine export meats. The following commodities represent more than 90 per cent of all United Kingdom purchases from Argentina:—

*Argentine Shipments to the United Kingdom*

	1941	1940	1939
	1,000 Lb.	1,000 Lb.	1,000 Lb.
Frozen beef—			
Chiller type . . . . .	630,357	587,928	770,271
Continental type . . . . .	180,033	29,990	39,290
Frozen mutton . . . . .	105,857	130,931	117,020
Canned meats . . . . .	193,540	129,811	114,778
Frozen pork . . . . .	66,211	1,749	13,253
Bacon . . . . .	134	334	2,154
Frozen poultry . . . . .	119	253	3,755
Frozen livers . . . . .	39,935	31,845	
Frozen kidneys . . . . .	7,132	4,019	63,070
Frozen offals, other . . . . .	11,449	22,983	
Salt cattle hides . . . . .	56,665	89,434	34,503
Greasy wool . . . . .	8,644	12,531	71,716
Tallow and lard . . . . .	71,025	45,452	40,667
Eggs . . . . .	4,972	20,218	19,349
Butter . . . . .	21,430	23,399	15,002
Bran . . . . .	433	356,220	500,292
Oilcake . . . . .	43,386	77,097	32,769
Cheese . . . . .	1,668	609	150
Casein . . . . .	17,050	10,820	6,981
	Boxes	Boxes	Boxes
Fresh apples . . . . .	..	..	56,672
Fresh pears . . . . .	..	..	331,332
	Bushels	Bushels	Bushels
Wheat . . . . .	*	47,578,043	60,494,283
Corn . . . . .	*	37,082,327	44,821,564
Flaxseed . . . . .	*	7,195,852	3,607,709
Oats . . . . .	*	1,442,329	411,408
Barley . . . . .	*	4,278,150	11,712
Rye . . . . .	*	1,165,431	..
	Barrels	Barrels	Barrels
Wheat flour . . . . .	5,512	101,351	182,565

\* Figures not available.

## ARGENTINE-UNITED STATES TRADE

The balance-of-payments position between Argentina and the United States presented a difficult problem for the former country at the end of 1940. Argentina had practically stopped all imports from the United States in September, 1940, due to the acute shortage of dollars available to pay for them. The U.S.\$110

million credit that Argentina negotiated with the Export-Import Bank in Washington in December, 1940, would have provided needed dollars to buy American goods, and at the same time the pesos that would have been purchased in transferring the credit to Argentina would have been available to the Argentine Government to help purchase surplus grain crops from domestic producers. The Argentine Congress did not approve these dollar credits, and they have not been utilized. However, there was a sharp increase in United States purchases from Argentina in 1941 of U.S.\$99 million over the amount in 1940, or almost the equivalent of the unutilized dollar credits. In addition there was a considerable amount of new private capital transferred to Argentina during 1941. On the debit side, Argentine purchases of goods from the United States were valued at approximately U.S.\$130 million in 1941 as compared with \$107 million in 1940 and \$71 million in 1939. Argentina's purchases from the United States did not increase by a greater amount last year, due to the restrictions in effect against unnecessary imports and the impossibility of obtaining a greater volume of American goods that were subjected to export control arising from rearmament in the United States. The result was that Argentina had a large favourable dollar balance for 1941.

Farm implements and products for the automotive industry accounted for around 40 per cent of Argentine purchases of goods in the United States before the war. Imports of these two main groups have been subjected to severe quota restrictions for several years in order to leave Argentina with enough dollars to buy such essential goods as rolling-mill products, tinplate, coal, and petroleum.

#### BALANCE OF PAYMENTS

The balance-of-payments position between Argentina and the countries which still permit the free transfer of funds was favourable to Argentina to the amount of \$136 million in 1941, the United States being the important country in this group in that year.

#### *Argentine Balance of Payments with Hard Currency Countries*

	1937	1938	1939	1940	1941
Credits—	Millions of Canadian Dollars				
Argentine exports:					
United States . . . . .	*	*	*	88	187
Other American countries . . . . .	*	*	*	55	72
Other countries . . . . .	*	*	*	102	43
Total . . . . .	728	389	449	245	302
Net capital movement . . . . .	— 4	— 23	22	26	108
Public investments . . . . .	..	40	..	5	..
Sundry . . . . .	14	13	25	19	20
Total credits . . . . .	738	419	496	295	430
Debits—					
Merchandise imports . . . . .	434	433	339	275	228
Public debt service . . . . .	50	38	43	32	25
Public expenses . . . . .	25	18	13	6	5
Private financial services . . . . .	94	84	92	44	33
Total debits . . . . .	603	573	487	357	291
Balance . . . . .	+135	—154	+ 9	— 62	+139
Repatriation of public debt† . . . . .	—139	..	..	..	..
Net gold . . . . .	..	— 2	— 2	— 1	— 1
Part balance blocked . . . . .	..	..	..	+ 18	..
Adjoining commercial debt . . . . .	— 14	— 3	+ 42	+ 1	— 2
Net balance . . . . .	— 18	—159	+ 49	— 44	+136

\* Figures not available.

† Argentine-United States public debt repatriation.

It should be noted that the United Kingdom was included in this group until June, 1940. The United States supplied 60 per cent of the Argentine imports shown for 1941.



## ARGENTINE PURCHASES FROM THE UNITED STATES

The following table indicates in a general way how Argentina budgeted her dollar resources available for the purchase of United States goods in 1938 and 1939 and the percentage increase or decrease in the volume of purchases of the principal items in 1940 and 1941 as compared with 1939:—

*Principal Argentine Purchases from the United States*

	1938 Per Cent	1939 Per Cent	1940 Per Cent	Jan.-Sept., 1941 Per Cent
Automotive products . . . . .	21.6	14.4	+ 13.5	— 49.0
Farm implements . . . . .	16.9	9.4	— 34.5	— 84.0
Petroleum . . . . .	13.5	23.4	— 44.8	*
Lumber . . . . .	6.5	8.1	— 21.8	— 40.0
Industrial chemicals . . . . .	3.8	6.8	+ 48.5	*
Oil-well equipment . . . . .	1.9	5.2	+103.0	— 80.2
Sub-total . . . . .	64.2	67.3	— 6.4	*
Rolling-mill products . . . . .	2.2	2.9	+1,000	*
Paper . . . . .	1.3	1.6	+ 300	*
Other . . . . .	32.3	29.2	..	..
Total . . . . .	100.0	100.0	+ 50.0	+ 83.0
Total value in millions of dollars . . . . .	..	71	107	130

\* Percentages not available.

The foregoing figures show that, whereas the volume of Argentine purchases of the items that comprised the bulk of her normal imports from the United States before the war, such as automobiles, farm implements, lumber and oil-well equipment, were drastically curtailed between 1939 and 1941, the saving has been much more than offset by increased prices and the increase in the value of other purchases in the United States. These would include coal, tinplate and rolling-mill products.

The trends in imports of the principal items from the United States are indicated in the following table:—

*Argentine Purchases from the United States*

	1938	1939	1940
	Values in Pesos		
Automotive products . . . . .	54,313	31,049	35,218
Farm implements . . . . .	42,367	20,443	13,555
Oil-well machinery . . . . .	4,852	11,168	22,477
Tinplate . . . . .	3,453	563	12,525
Iron and steel . . . . .	5,727	6,242	56,048
Other base metals . . . . .	7,240	5,013	15,001
Lumber . . . . .	16,213	17,482	13,733
Petroleum . . . . .	33,810	50,525	28,160
Paper . . . . .	3,294	3,648	14,091
Industrial chemicals . . . . .	9,640	14,628	21,408
Sub-total . . . . .	180,909	160,761	232,216
All other . . . . .	69,618	54,418	82,360
Total . . . . .	250,527	215,151	314,576

## UNITED STATES PURCHASES FROM ARGENTINA

United States purchases from Argentina have increased almost threefold since 1939. However, six single items continue to account for approximately three-fourths of the total Argentine shipments to the United States. Wool alone accounted for 38 per cent, and another 34 per cent was represented by the other five items: hides, flaxseed, quebracho, corned beef, and cheese. Some of the other important items were casein, furs, vermouthe, and tungsten or wolfram.

The trade agreement signed between Argentina and the United States in October, 1941, provides for substantial duty reductions by the United States on certain important Argentine export products such as canned meats, flaxseed, hides, and wool. Under the new Canadian trade agreement with Argentina, Canada is accorded mutual concessions. The following table shows the f.o.b. values of the principal items exported to the United States from Argentina in the years 1939 to 1941 inclusive:—

*Argentine Exports to the United States*

	1939	1940	1941
	Values in United States Dollars		
Wool . . . . .	16,482,732	32,804,586	68,076,327
Cattle hides, salt . . . . .	7,901,773	8,789,383	24,603,958
Flaxseed . . . . .	16,519,955	13,244,324	15,614,486
Quebracho extract . . . . .	3,976,922	2,890,365	7,130,259
Corned beef . . . . .	3,385,547	2,165,686	8,353,994
Cheese . . . . .	366,807	1,347,824	4,513,158
Sub-total . . . . .	48,633,736	61,242,168	128,292,182
Percentage total . . . . .	75	73	72
Goat skins, dry . . . . .	1,003,217	779,009	1,254,826
Horse hides, salted . . . . .	242,570	299,775	497,497
Sheep skins, salted . . . . .	1,659,469	1,990,050	2,474,968
Other hides . . . . .	1,908,560	2,410,281	4,032,368
Rabbit skins . . . . .	315,402	659,886	1,408,970
Nutria skins . . . . .	141,814	300,056	869,310
Other furs . . . . .	613,016	880,644	2,046,623
Casein . . . . .	1,050,069	1,076,214	5,049,791
Dog food . . . . .	196,099	134,296	64,981
Leather . . . . .	2,550	86,681	1,250,901
Tallow, inedible . . . . .	8,351	18,802	1,309,714
Other inedible animal products . . . . .	534,947	432,773	810,680
Sausage casings . . . . .	859,021	1,081,686	1,195,836
Other meats and products . . . . .	1,018,182	1,080,737	2,233,317
Butter . . . . .	.....	71,438	1,047,537
Eggs . . . . .	.....	.....	1,564,263
Other edible animal products . . . . .	.....	7,486	10,565
Alfalfa seed . . . . .	76,910	25,167	298,877
Rape seed . . . . .	.....	20,174	100,134
Broomcorn . . . . .	11,782	4,611	24,661
Rapeseed oil . . . . .	.....	156,379	1,504,721
Soap stock . . . . .	.....	18,913	188,183
Other vegetables, inedible . . . . .	232,757	206,432	403,030
Grapes . . . . .	484,110	436,292	513,142
Pears, fresh . . . . .	137,140	307,165	483,392
Vermouth and other beverages . . . . .	397	359,824	1,297,575
Other fruits and preparations . . . . .	.....	49,319	49,443
Cottonseed oil . . . . .	.....	.....	520,695
Sunflowerseed oil . . . . .	.....	156	1,282,512
Other agricultural products . . . . .	697,274	2,919,148	1,124,272
Horse hair . . . . .	461,911	957,815	2,974,370
Cattle hair . . . . .	37,271	156,443	195,243
Other animal hair . . . . .	16,379	28,881	71,846
Cotton linters . . . . .	764	61,921	645,490
Flax fibre . . . . .	.....	9,212	271,284
Rags . . . . .	169,573	192,123	414,922
Other textiles . . . . .	.....	4,344	23,607
Silver . . . . .	47,231	91,269	182,841
Tungsten . . . . .	211,064	415,797	2,107,822
Other minerals and metals . . . . .	1,389,222	2,027,836	1,189,409
Tankage . . . . .	1,352,764	856,290	1,866,927
Bone, ground . . . . .	461,354	585,846	943,358
Other fertilizers . . . . .	538,102	378,586	512,087
Arzols, etc. . . . .	37,944	464,425	1,796,386
Glue stock . . . . .	6,894	72,776	259,369
Glycerine . . . . .	181,713	344,948	219,661
Tartaric acid . . . . .	.....	.....	88,168
Other chemicals . . . . .	113,117	354,655	261,309
Miscellaneous . . . . .	25,637	36,456	282,920
Total . . . . .	64,878,321	84,076,191	177,511,975



THIRD OFFICIAL ESTIMATE OF ARGENTINE GRAIN CROP, 1941-42

Mr. J. A. Strong, Canadian Commercial Attaché at Buenos Aires, reports under date May 26, 1942, that the Argentine Department of Agriculture has issued the third official estimate of the 1941-42 grain crop. The following table gives the figures of this estimate, together with the yields in 1940-41 and the average yields for the five-year period 1936-41:—

	1941-42 Bushels	1940-41 Bushels	Average 1936-41 Bushels
Wheat . . . . .	224,114,000	299,431,000	253,345,483
Linseed . . . . .	62,992,000	59,842,000	59,653,503
Oats . . . . .	29,182,500	34,986,575	47,481,938
Barley . . . . .	16,994,100	36,238,770	25,773,665
Rye . . . . .	6,543,600	8,354,314	10,238,129
	Tons	Tons	Tons
Millet . . . . .	28,600	32,406	34,497

TRADING WITH THE ENEMY: CONSOLIDATED LIST OF SPECIFIED PERSONS

With reference to the notice explanatory of the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939), which is published periodically in the *Commercial Intelligence Journal* (see issue No. 1993: April 11, 1942, page 377), a third consolidation of the list has been published, and copies may be obtained by interested Canadian firms at a price of 10 cents each on application to the Distribution Branch, Government Printing Bureau, Ottawa.

This consolidation is compiled from revisions of the list issued by proclamation from time to time and published in the *Canada Gazette*. There have been twenty-five such revisions since the beginning of 1940, and as it now stands, some 9,000 names appear on the List of Specified Persons, a breakdown of which, by countries, is as follows:—

Afghanistan . . . . .	9	Panama . . . . .	54
Andorra . . . . .	2	Paraguay . . . . .	45
Arabia . . . . .	4	Peru . . . . .	858
Argentina . . . . .	610	Portugal . . . . .	592
Bolivia . . . . .	270	Angola (Portugal) . . . . .	92
Brazil . . . . .	723	Azores (Portugal) . . . . .	6
Chile . . . . .	547	Cape Verde Islands (Portugal) . . . . .	5
China . . . . .	290	Goa (Portugal) . . . . .	5
Colombia . . . . .	641	Madeira (Portugal) . . . . .	9
Costa Rica . . . . .	217	Mozambique (Portugal) . . . . .	56
Cuba . . . . .	118	Portuguese China . . . . .	1
Dominican Republic . . . . .	40	Portuguese East Africa . . . . .	27
Ecuador . . . . .	285	Portuguese Guinea . . . . .	7
El Salvador . . . . .	128	Portuguese India . . . . .	4
Eire . . . . .	17	Spain . . . . .	481
Guatemala . . . . .	434	Balearic Islands (Spain) . . . . .	6
Haiti . . . . .	53	Canary Islands (Spain) . . . . .	35
Honduras . . . . .	41	Fernando Po and Spanish Guinea (Spain) . . . . .	22
Iran . . . . .	44	Sweden . . . . .	116
Iraq . . . . .	28	Switzerland . . . . .	523
Liberia . . . . .	8	Syria . . . . .	15
Liechtenstein . . . . .	8	Turkey . . . . .	239
Mexico . . . . .	945	United States . . . . .	5
Morocco (Spanish Zone) . . . . .	21	Uruguay . . . . .	238
Morocco (Tangier Zone) . . . . .	41	Venezuela . . . . .	239
Nicaragua . . . . .	81		

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### TARIFF DECISIONS

Recently published Australian customs decisions as to the tariff classifications and rates of duty on articles regarding which question has been raised, include the following:—

Gas carbon black for use in the manufacture of hard metal carbides, or of gas cartridges for the extermination of rodent pests, is admissible by by-law under tariff item 404A (free of duty under all tariffs) provided that a declaration of the overseas manufacturer is furnished with each importation that the black is gas carbon black.

"A.R.P." lamp shields made of synthetic resin are dutiable under item 206A, at 5 per cent ad valorem under British Preferential tariff and 50 per cent ad valorem under General tariff as from April 6, 1942. These shields are used in lieu of lamp shades and are cylindrical in form, the light rays passing through narrow apertures in the base of the shield which is otherwise totally enclosed.

Tissue paper (not gummed) for use in the manufacture of cigarette papers in packets and cigarette tubes, in a factory licensed under the Excise Act, is admissible by by-law under item 404 (free under British Preferential tariff and 15 per cent ad valorem under General tariff) as from March 9, 1942.

Saw material up to and including 1 inch in width, for use in metal cutting machines, having more than 8 points (7 teeth) per inch, or with hardened teeth and soft back regardless of points per inch, is admissible by by-law under item 415A2 (free under British Preferential tariff, 15 per cent ad valorem under General tariff) as from February 23, 1942.

Canadian exports classified under the above-quoted items are admissible at British Preferential tariff rates if they have the required percentage of Canadian and/or Australian material and/or labour. The General tariff applies to all goods from countries outside the British Empire.

### Trinidad

#### IMPORT RESTRICTIONS MODIFIED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that re-listing of goods the importation of which into Trinidad is prohibited from all sources was gazetted by the Trinidad Control Board on May 29. The list supersedes that of September 5, 1941, published in *Commercial Intelligence Journal* No. 1946 (September 20, 1941). There have been only a few minor changes and additional restrictions.

Domestic hollow-ware for household purposes; mattresses with wire springs; cotton marquisee; Madras muslin; curtain muslin and scrim; artificial silk napery; cotton or artificial silk duchess sets, runners, table centres, cushion covers, cosy covers and the like; electrically operated gramophones and reproducers, including "pick-ups"; hair slides of metal or of metal and other materials; and gold- and silver-plated household ware, except plated table cutlery, forks and spoons, are prohibited importation from all sources.

Ladies' handbags; cheap moulded household glassware; cotton sheets; tailors' linen and linen and canvas mixed; workmen's overalls; and cheap cotton or wool jumpers, jerseys, cardigans and pullovers for boys may be imported if a licence is obtained, and also catalogues and price lists and similar publications provided a statutory declaration is lodged with the Control Board that no funds



will leave the Colony directly or indirectly in connection with the importation of such material.

The former prohibitions from all sources on "boots and shoes *except* white, black or brown of self-coloured leather, canvas, rubber and mixtures of canvas and rubber" has now been modified to apply to "boots and shoes of leather other than self-coloured leather and other boots and shoes covered with or finished in silk or artificial silk".

The new list of restrictions is subject to the same general qualifications applicable to the previous list.

### British Guiana

#### DUTIES REDUCED ON FOOTWEAR AND APPAREL

A British Guiana Ordinance of March 19, 1942, reduced the duty on footwear, apparel and woollen piece-goods as follows, former rates being shown within parentheses:—

	British Preferential Tariff	General Tariff	
Boots and shoes, wholly or partly of rubber.ad val.	2% (16 $\frac{2}{3}$ %)	6% plus 24c. per pr.	(50% plus 24c. per pr.)
Other kinds of boots and shoes . . . . .ad val.	6 $\frac{2}{3}$ % (10%)	20%	(30% plus 48c. per pr.)
Unspecified articles of apparel . . . . .ad val.	15% (15%)	30%	(30% plus 36c. each)
Woollen piece-goods . . . . .ad val.	16 $\frac{2}{3}$ % (16 $\frac{2}{3}$ %)	33 $\frac{1}{3}$ %	(33 $\frac{1}{3}$ % plus 24c. per yd.)

In addition to these rates, there is a bill-of-entry tax of 3 per cent ad valorem.

Canadian and Empire goods are dutiable under the preferential tariff.

### Union of South Africa

#### ADDITIONAL PRICE CONTROL ORDERS

Since the proclamation of wartime price control regulations in the Union of South Africa on October 24, 1941, about 75 notices affecting various commodities and services had been issued up to April 10, 1942. The regulations of October 24, 1941, authorized appointment of a Price Controller with power to (a) fix a maximum price for the sale of goods, either irrespective of the cost to the seller or by adding a stated sum or percentage to the cost to the seller; (b) fix maximum charges that may be made for services; (c) prohibit any person from increasing the sale price of any specified goods or services above the price charged for like goods or services on a specified date or during a specified period.

Most of the notices issued by the Price Controller establish the maximum price that may be charged for a single article, such as potatoes, scrap iron, used bags, tea, and hand-knitting wools. However, in some cases the notices cover extensive lists of commodities. For instance, a notice of February 6, 1942, fixed maximum percentages which may be added to the cost by a licensed dealer on some 85 items of foodstuffs. A notice of March 6, 1942, specified the "factors" to be used in determining the maximum selling price of various articles, including many kinds of piece-goods, bedding, table linen, wearing apparel, footwear, and domestic and builders' hardware.

The "factor" is a device used to limit profits on goods for which the Price Controller has not definitely fixed maximum prices. The regulations prohibit any person, without permission of the Price Controller, selling in excess of cost plus a percentage determined by multiplying the percentage of the ordinary

gross profit during the six months ended August 31, 1939, by a factor as announced in the *Government Gazette*. To illustrate the working of the factor in profit control, an example is given of an article which cost a trader 15s. in August, 1939, and later cost 20s. This is an increase of  $33\frac{1}{3}$  per cent. The factor corresponding to the increase of  $33\frac{1}{3}$  per cent in cost is 0.83. The ordinary "mark up" in the six months preceding the outbreak of war was 45 per cent on cost. Applying the formula, the "mark up" on the increased cost would be 45 per cent multiplied by 0.83, or 37.35 per cent. The permitted increased maximum selling price on the article, therefore, would be 20s. plus 37.35 per cent thereof, or 27s. 6d.

To facilitate operation of the new formula, a regulation was issued freezing maximum prices in respect of all goods on hand as at October 15, 1941, at the levels ruling on that date, so that in effect the new formula applied to goods received into stock after October 15, 1941.

### British India

#### EMERGENCY SURCHARGE ON CUSTOMS DUTIES

Mr. Paul Sykes, Canadian Trade Commissioner in Bombay, has forwarded particulars of the emergency surcharge of one-fifth (20 per cent) imposed on British Indian customs import duties as from March 1, 1942 (announced in *Commercial Intelligence Journal* No. 1989: March 14, 1942, page 276). The surcharge is to be operative until March 31, 1943. The Finance Member of the Council, in introducing this new impost, stated that the duties excepted therefrom were those on raw cotton, which had just been increased for a special purpose, and on motor spirits, which had been automatically increased as a result of an increase in excise duties. Salt duties also were exempt from the surcharge, as were duties on a few imports from Burma in pursuance of the trade agreement with that country. The Finance Bill, as passed, provides further that duties on a wide range of machines, machinery and parts thereof, machine belting, and electrical transmission line materials are likewise not subject to the surcharge. The estimated revenue expected from the duty surcharge is 570 lakhs of rupees (equal to about \$19,000,000 Canadian at present rate of exchange).

### United States

#### TARIFF MEASURE AFFECTING EMERGENCY PURCHASES OF WAR MATERIAL

An executive order, signed by the President of the United States on May 30, gave to the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Secretary of Agriculture, and the Reconstruction Finance Corporation, in respect of admission free of duty of emergency purchases of war material abroad, powers which were heretofore vested in the Secretary of the Navy. These powers are embodied in a provision of an Act of June 30, 1914, reading: "Provided that hereafter the Secretary of the Navy is hereby authorized to make emergency purchases of war material abroad, and provided further that when such purchases are made abroad this material shall be admitted free of duty".

The Commissioner of Customs, with the approval of the Secretary of the Treasury, is to issue regulations governing the entry and admission free of duty of articles as to which an officer or the agency designated in the foregoing paragraph furnishes a certificate to him in the following terms: "The procurement of this material constituted an emergency purchase of war material abroad, and it is accordingly requested that such material be admitted free of duty pursuant to the Act of June 30, 1914 (34 u.s.c. 568) and Executive Order No. 9177."

The authority conferred by the President's order, including that of executing this certificate, may be exercised by the four departments mentioned and by

the Board of Directors of the Reconstruction Finance Corporation, or in their discretion and by their direction, also by and through any officer or officers or civilian officials of their respective departments and agencies designated by them for those purposes. In the case of the Secretary of Agriculture, it may be exercised by and through such corporations in the Department of Agriculture as are under the direction and supervision of the Secretary of Agriculture, and in the case of the Reconstruction Finance Corporation by and through one or more of its subsidiary corporations. The Secretaries of War, the Navy, the Treasury and Agriculture, and the Board of Directors of the Reconstruction Finance Corporation may authorize officers or civilian officials of their respective departments or agencies to make further delegations of such powers and authority within their respective spheres.

The President's Order of May 30 is effective from the date of issue and is to continue in force until the termination of Title 1 of the first War Powers Act.

#### TARIFF RULING ON OAT PRODUCTS

A decision of the United States Customs Court (C.D. 629) of May 6, 1942, determined the rate of duty on various classes of oat products. Some were invoiced as "steel cut groats," "whole oat groats," "whole feeding oat groats," and "steel cut oat groats," which consisted of hulled oats known as feeding oats, not fit for human consumption. Paragraph 726 of the tariff specifies "oats hulled or unhulled" on which the rate is 16 cents per bushel of 32 pounds. The plaintiff in the case, on the ground that the products were not fit for human consumption, contended that this provision of the tariff did not apply. He sought entry at 20 per cent ad valorem, the rate on articles not enumerated under paragraph 1558 in whole or part manufactured. The court held that there was nothing in the tariff description, "oats hulled or unhulled," paragraph 726, which restricts it to a commodity fit for human consumption. The merchandise in question was consequently ruled dutiable at 16 cents per bushel of 32 pounds rather than 20 per cent ad valorem.

On the other hand, merchandise invoiced as "feeding rolled oats" and "ground oat groats," not suitable for human consumption, was ruled under paragraph 1558 at 20 per cent ad valorem, rather than under the provision for "oatmeal, rolled oats, oat grits, and similar oat products" in paragraph 726 at 80 cents per 100 pounds. This was ruled on the ground that in trade and commerce the term "rolled oats" was limited to a product fit for human consumption.

#### Cuba

##### SUSPENSION OF LAW ALLOCATING TARIFF ACCORDING TO TRADE BALANCE

Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, reports that a Cuban decree published June 1, 1942, suspends for the duration of the war the operation of Cuban Law No. 14 of March 15, 1935, under which it was decreed in March or April each year which of three scales of duty would apply to imports from particular countries during the ensuing twelve months. The general (sometimes called minimum) tariff was applied when, according to Cuban trade returns, the exporting country's purchases from Cuba during the previous calendar year amounted to one-half or more of its sales to Cuba, the general tariff plus 25 per cent was applicable when the purchases were between one-quarter and one-half of sales, and the maximum tariff (double the general) when purchases were less than one-quarter of sales. Under this law, Canada has been accorded the general tariff since April 9, 1940. The suspension of the law means that imports from no country will be subjected to duties higher than the general tariff, irrespective of the balance of trade with Cuba. Imports from the United States continue to receive special preferential tariff treatment.



## **Bolivia**

### **RUBBER EXPORT CONTROL**

A decree of March 13, 1942, states that no rubber sales contract for export from Bolivia will be valid unless previously approved by the Government. A prospective exporter of rubber must supply the Ministry of Economy with names of seller and purchaser, date of signing the contract, origin and destination of the rubber, quantity and price fixed, portion already delivered, and the balance pending export.

## **EXCHANGE CONDITIONS IN FOREIGN COUNTRIES**

### **Ecuador**

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, May 30, 1942.—Advice has been received that from April 29, 1942, the Central Bank of Ecuador has reduced its standard dollar rates from 14·80 sucres buying and 15 sucres to the United States dollar selling to 13·70 sucres buying and 14·10 sucres selling.

There has been no change in the regulations regarding exchange control, but apparently licences are now being issued more freely for imports from all sources. This is partly the result of the surplus of dollar exchange which the Central Bank has accumulated and also the adoption of a more lenient attitude in view of the difficulties of supply.

The possibility of this reduction in exchange rates being made was mentioned in the report of the Lima Office on exchange conditions in Ecuador of January 15, which was published in *Commercial Intelligence Journal* No. 1985 (February 14, 1942), page 173. The new tax of 0·10 sucre (ten cents Ecuadorean) imposed at that time on the sale or purchase of one United States dollar has been abolished simultaneously with the reduction in the exchange rates. There is a possibility that further deflation may take place, as the Central Bank is reported to have an excess of exchange with reserve amounting to approximately U.S.\$3,500,000, which will be increased by the settlements received for current exports of agricultural products, chiefly cocoa and rice.

### **Argentina**

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

Buenos Aires, May 16, 1942.—The Argentine Government has announced changes in the import regulations as from May 12, 1942. Under the present regulations there are no absolute prohibitions against the importation of any commodity from the dollar area—the United States and Canada. The commodities which formerly were prohibited entry are now admissible, for the most part subject to the dollars having been purchased in advance at the semi-weekly exchange auctions. In practice the auction rate is almost prohibitive for most items.

Import permits still do not have to be obtained in advance or prior to the arrival of goods for specified essential commodities as has been the case for some time. The sterling area continues to be accorded exchange preferences on many specified items. Imports of automobiles, farm implements and certain other items continue under the control of the Corporation for the Promotion of Trade. The total import trade of Argentina has been divided as between the

three main groups in the following proportions: essentials, 92 per cent of the total; automobiles and farm implements, etc., under the Corporation for the Promotion of Trade, 6 per cent; and luxuries or semi-luxuries at the auction rate of 2 per cent.

The new regulations may have little effect in practice for the present, since practically all the new commodities just made admissible are not obtainable from abroad now, due to current manufacturing restrictions in the exporting countries, and there is likely to be difficulty in obtaining shipping space to carry such of these newly admissible items as may be available for export at this time.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 9, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, June 9, 1942, and for the week ending Monday, June 1, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 1	Nominal Quotations in Montreal Week ending June 9	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2608	.2614	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6328	.6334	4
Venezuela . . . . .	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3324	.3324	—
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

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### United Kingdom

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*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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L. D. WILGRESS, DEPUTY MINISTER



## CONTROL OF EXPORTS FROM CANADA

J. M. EVANS, CHAIRMAN, EXECUTIVE SUB-COMMITTEE ON EXPORT CONTROL

The following address, explanatory of the establishment, development and method of operation of government control of exports from Canada, was delivered by Mr. J. M. Evans, Chairman of the Executive Sub-committee on Export Control, at the 71st Annual General Meeting of the Canadian Manufacturers Association, held at Toronto from June 8 to 10 inclusive:—

It will perhaps provide a better insight into the organization, purpose and functioning of export control in Canada if I briefly sketch for you the history of this control since the outbreak of war.

Control of the export of certain strategic materials was imposed immediately upon the commencement of hostilities, principally for the purpose of keeping such supplies from reaching destinations whence they might possibly reach enemy hands.

As the war program, however, got into full swing, following the fall of France, further commodities were brought under control as shortages developed, and it became necessary to conserve supplies to meet our wartime requirements. The number of agencies exercising control over export and the number of commodities so controlled became so great by the beginning of 1941 that confusion resulted in the minds of exporters with respect to the proper agency to which to apply in order to obtain an export permit. Consequently, on April 8, 1941, export control was centralized in the Minister of Trade and Commerce, and a new branch of that department was set up, called the Export Permit Branch, for the purpose of receiving applications and issuing export permits.

The policy of the Government respecting the issue of these permits has been formulated by an advisory committee that includes representatives of most of the important government departments. At first it was the Advisory Committee on Economic Policy, which functioned until the time when the Export Permit Branch was established. Then the Advisory Committee on Export Control became the responsible body, whose membership consisted of the principal officials of the Wartime Industries Control Board, Wartime Prices and Trade Board, Department of Agriculture, Department of Finance, Department of National Revenue, and Department of External Affairs.

Toward the end of 1941, the Advisory Committee on Export Control set up an Executive Sub-committee, with a full-time Chairman, in order to provide a more or less permanent organization responsible not only for policy recommendations but also for day-to-day interpretation of policy, which was necessitated by the large volume of applications then being handled by the Export Permit Branch. This increased number of applications resulted from the necessity of bringing more and more commodities under export control, due to the increasing development of shortages resulting from the requirements of our war program as well as from the greater demand for Canadian goods abroad as other supplying countries were overrun by the enemy.

Briefly then, the organization of export control to-day is as follows:—

1. An administrative body, the Export Permit Branch, under the direction of Mr. George R. Heasman, responsible to the Minister of Trade and Commerce.
2. An Advisory Committee on Export Control (and its Executive Sub-committee) to co-ordinate policy in matters of economic warfare and normal international commercial relationships, so as to establish for the guidance of the Export Permit Branch the principles to be followed in granting or refusing permits.



Exporters will note, therefore, that the Export Permit Branch is now the *only* agency with which an exporter has to deal in applying for permission to export. The application to export, and all related correspondence or negotiations with respect to the application, should be routed through this Branch in order to obtain a decision most quickly and avoid confusion. The Export Permit Branch will make all the necessary arrangements with other government departments that may be involved. In some cases there is need for consultation with a number of other government authorities, since the Export Permit Branch does not solely on its own initiative grant or refuse permits.

A typical example of the procedure on the receipt of an application by the Export Permit Branch is as follows:—

The application is first carefully checked to see that all the details requested have been supplied. The name of the consignee is then checked against the black list, and it is noted whether the proper Certificates of Essentiality have been attached, if they are required. In some cases it is necessary for the Export Permit Branch to consult with London, if export is to a navicert area. Following this the proper Controller of the Wartime Industries Control Board or Administrator of the Wartime Prices and Trade Board, or both, are consulted with respect to the supply situation for the particular commodities involved in the export application. An application to export copper wire, for instance, is discussed with the Metals Controller, and is refused if the supply position is such that he considers the materials are required for the war effort. An application to export clocks would be referred to the Jewellery Administrator, and would be refused or permitted by him depending upon the supply of clocks needed to meet essential minimum requirements in Canada for civilian use. Assuming that a favourable reply from the supply angle is obtained from the Administrator or Controller concerned, the applicant is then notified by the Export Permit Branch that he now has permission to export. Sometimes the Export Permit Branch will get in touch with the applicant while the application is going through this process, in order to obtain additional information. This is particularly so in the case of commodities that are in short supply for the war effort. This is understandable when it is realized that commodities of this kind are not available in large supply for export markets, and the additional information is to enable the authorities in Ottawa to determine whether their export will have a bearing upon our war effort, or to ensure at least that the quantities exported will go to an old customer rather than to some new account that will be of no lasting benefit to Canada.

While I have described the Export Permit Branch as an organization handling the complete routing of an export application through all of its stages and giving the Canadian exporter only one agency with which to deal, it also has a number of subsidiary functions, such as the issuance of priority ratings on shipments to South America through American ports. The efficient and rapid organization of this Branch, which has handled as many as six hundred applications per day, is due to the energy and ability of its Chief, Mr. Heasman, who is here to-day to answer questions concerning export applications.

Before concluding these brief remarks, I would like to make another statement more or less in answer to a question which I know is in the minds of most exporters: Has the Government any export policy? In asking this question, the exporter usually means: Has the Government any policy with respect to the allocation of definite quantities or percentages of supplies for export? The answer to the more specific question is definitely "No." The constantly changing war manufacturing program makes it impossible to establish any percentage of Canada's normal manufactures as available for either export or civilian use. Every Canadian must put the war program first, and the supplies required for this program cannot be allowed to flow into other channels. The Government,

however, has in a broad sense an export policy, which is to encourage the maintenance of legitimate trade to as great an extent as is possible in view of conditions imposed by the war. I think I can assure you that everyone connected with export control in Ottawa, and the various Administrators of the Wartime Prices and Trade Board and the Controllers appointed by the Department of Munitions and Supply are unanimous in their recognition of the fact that export trade is vital to the normal Canadian standard of living and that they are doing all in their power to make supplies available to ensure that export trade is maintained at the highest possible level, having regard always for the necessity of recognizing that the war effort must have priority over all other considerations.

## FISH MARKETS IN HAITI

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(Values are in gourdes; one gourd equals U.S.\$0.20.

Havana, May 20, 1942.—There is a small market in Haiti for smoked, pickled and dried fish of various kinds, and a very small market for canned fish. Although the population of Haiti is about 3,000,000, the level of purchasing power is the lowest of any of the republics in the Caribbean area. Nevertheless, when smoked and dried fish prices are relatively low, these types combined constitute a fairly important percentage of the total food imports. However, because of this low level of purchasing power, sharp reductions in the amounts of fish imported inevitably occur when fish prices rise abnormally, when crop failures occur, or when export markets are disrupted. Such a situation has prevailed since the middle of 1940.

Almost all the republics and the island possessions in the Caribbean area depend for their prosperity mainly upon sugar and its by-products. The exception is Haiti, which depends largely on coffee and, to a lesser extent, on cacao, as its sugar crop is comparatively insignificant. The Republic has in the last decade never been really prosperous, due mainly to overcrowding of the population and to the basic fact that a large percentage of the total area of the country is mountainous and consequently non-arable. Prior to the disturbances in Europe which led finally to the present war, there was a steady market for Haiti's coffee at a premium over the world price in European countries, particularly France. Moreover, almost the whole of the cacao crop was marketed annually in the United States. The outbreak of the present war was a serious blow to Haitian economy in that it cut off at once an important percentage of the coffee shipments to Europe. Later the overrunning of Norway, the Low Countries and France completely disrupted coffee sales, as practically the whole of the coffee crop normally was sold in those markets. Neither Great Britain nor the United States had been at any time a purchaser of other than negligible quantities of Haitian coffee. Accordingly, beginning about September, 1939, coffee sales were progressively reduced until they were brought almost completely to a standstill by the end of June of the following year.

For the remainder of 1940 practically no coffee was shipped from Haiti. The problem became one of forcing Haitian coffee on other markets, principally the United States, which had little or no knowledge of the Haitian product and in which severe competition was certain to be encountered from the coffees of the Central and South American republics, which had long been established in the markets of the United States, Canada and Great Britain. Little headway was made until December, 1940, when the United States established coffee quotas for each of the producing countries in the Western Hemisphere, thereby giving Haiti an outlet for about two-thirds of the expected 1941 crop. Without this quota the effect of the paralysation of coffee exports upon the Haitian standard of living, which is in any case barely above the subsistence level, would have



been disastrous. Although the quota system provided an outlet for the major portion of the crop, the price at which it had to be sold in competition with the coffees of the Central and South American republics was considerably below the premium price which previously had been obtainable in France and adjacent European countries. Nevertheless, the income provided since then by coffee sales has enabled the country to carry on during the last fifteen months, although reduced exports have appreciably lowered the already low prevailing standard of living. This decreased purchasing power is evident from the official statistics covering the imports of fish of various kinds. Successive sharp decreases in both the annual volume and value of pickled and smoked fish occurred since 1938, this item being the most important in the fish import trade. The dried salt fish imports improved in 1939 as compared with 1938, but dropped heavily in 1940. There has been little or no change in imports of canned fish, an item of minor importance since 1938.

For the duration of the war it is not likely that Haiti will be able to find markets for the whole of its normal coffee crop, although the present shipping shortage, by cutting off coffee shipments from more distant countries, has enabled Haiti to clean up all existing stocks and make shipments to the United States market greatly in excess of its current quota. The quota system for the United States market is expected to be renewed from year to year, but that market, plus Canada's purchases, is never likely to absorb much more than three-fourths of total annual production. As a consequence the purchasing power of the people is likely to remain at its present depressed level, and the sales of all kinds of fish, particularly when fish prices are as high as they are at present, are most unlikely to expand beyond the quantities imported by the Republic in 1940.

#### TRADE TREATIES AND CUSTOMS DUTIES

Haiti has most-favoured-nation trade agreements with several countries, among which are Canada and all the other countries, with the exception of Norway and Portugal, mentioned in the import tables which follow. Nevertheless, these two countries, because of their annual purchases from Haiti, are accorded the rates of the minimum tariff. Since no country obtains by treaty preferential tariff rates on any fish product entering the Republic, all countries mentioned in the import tables are to all intents and purposes on exactly the same customs tariff basis.

The rates of the maximum tariff are double those of the minimum tariff but, since no country which exports fish to Haiti is affected thereby, such maximum tariff rates are not listed here. The basic minimum customs tariff duty rates on all fish items are as follows:—

	Gourdes
Fish and shellfish, fresh or refrigerated:	
Per kilo net . . . . .	0.10
Or ad valorem . . . . .	20%
Fish and shellfish, dried:	
Per kilo gross . . . . .	0.33
Or ad valorem . . . . .	20%
Fish in brine, salted or smoked:	
Per kilo gross . . . . .	0.17
Or ad valorem . . . . .	20%
Fish and meat waste, prepared for animal feeds:	
Per kilo gross . . . . .	0.01
Salmon, simply prepared and preserved, in tins:	
Per kilo net . . . . .	0.50
Cod, herring, haddock, mackerel, tunny, with or without sauce or oil, and salmon in sauce or oil:	
Per kilo net . . . . .	0.60
Or ad valorem . . . . .	20%
Sardines or imitations thereof, with or without oil:	
Per kilo net . . . . .	0.75
Or ad valorem . . . . .	20%
Anchovies and anchovy pastes:	
Per kilo net . . . . .	2.50
Or ad valorem . . . . .	20%



Caviar, fish roe and fish pastes:	Gourdes
Per kilo net . . . . .	2.50
Or ad valorem . . . . .	20%
Oysters and clams, in tins:	
Per kilo net . . . . .	0.60
Other preserved fish, shellfish and sea foodstuffs:	
Per kilo net . . . . .	0.80

In addition to the above basic rates there is in force an emergency surtax amounting to 20 per cent of the aggregate amount of all customs charges.

All ad valorem rates are based on the value of the goods c.i.f. Haitian port.

Net weight means the weight of the goods plus the weight of the immediate containers such as cans in the case of canned fish, or of the interior packing such as paper or cardboard, if any, in the case of other types. In other words, only the outer container is exempt from inclusion in the weight for duty purposes.

### PICKLED AND SMOKED FISH

In almost every country and island possession in the Caribbean area dried salt fish, mainly codfish and scale fish, is of much greater importance in the fish import trade than is pickled and smoked fish. Haiti is the exception to this rule. Pickled and smoked fish combined have always been the leading factor in the fish import trade. The low purchasing power of the people, almost wholly of the Negro race, is mainly responsible for this unusual circumstance. At no time can the native Haitian pay very much for imported foodstuffs or buy them except in very small quantities for immediate needs, and the fact that both bloaters and alewives can be bought by the unit instead of by weight has had considerable to do with the preference for purchases of these types of fish. They can be sold readily at a few centimes per fish according to size. When it is considered that an 18-pound box of small smoked herring will contain up to 200 fish, the inconvenience of selling by weight, taking into account the small amounts of money ordinarily spent at one time by the native, becomes evident. The same is true of pickled alewives.

In the appended table the smoked fish section is composed almost entirely of smoked herring. No other type of smoked fish, such as kippers, kipper fillets or salmon, is imported in any amount worth mentioning. The standard pack is the 18-pound box, ranging in count from 90/110 to 140/200. Probably more of the latter size is imported than of the former, as Haiti is not considered an important market for the large or bloater size. Up to a couple of years ago, at least, the Republic absorbed around 80 per cent of the total medium- and small-size pack of the Grand Manan industry.

The pickled fish imports are almost entirely alewives, but a small amount of pickled herring is also imported, although there is little difference between the two fish. All imports are, as mentioned above, in standard barrels. There has been some increase in recent months in the sales of herring pickled in special cures for the Jewish trade, but this is still of comparatively minor proportions. Occasionally also very small amounts of pickled mackerel enter into this trade.

The following table shows the imports of pickled and smoked fish for the fiscal years ending September, 1937-38 to 1939-40; later statistics are not available:—

### *Haitian Imports of Pickled or Smoked Fish*

	1937-38	1938-39	1939-40
United States . . . . . Kg.	802,018	798,135	908,045
Gde.	272,630	259,633	313,862
Canada . . . . . Kg.	1,338,402	978,150	601,557
Gde.	474,098	299,536	184,820
Norway . . . . . Kg.	.....	11,675	.....
Gde.	.....	4,380	.....
Netherlands . . . . . Kg.	1,185	.....	12
Gde.	425	.....	18
Guadeloupe . . . . . Kg.	.....	.....	.....
Gde.	2	.....	.....
Total weight . . . . . Kg.	2,141,605	1,787,960	1,509,614
Total value . . . . . Gde.	747,155	563,549	498,700

In the period covered by the foregoing table the United States and Canada have been the principal suppliers. Those other countries, such as Norway and Iceland, which before the outbreak of war offered such strenuous competition in all types of fish in most of the Caribbean markets, have at no time made any headway as suppliers to the Haitian trade. The sharp decreases in imports of these types of fish since 1938 are due mainly to a combination of poor crops and the loss of the coffee markets of Europe. The figures for the fiscal year 1940-41, when published, will probably show further decreases both in the volume and the value of these types of fish. However, an improvement in coffee exports since the beginning of 1941 tended to improve somewhat the imports of these types. This upward trend, however, was arrested about October of that year because of the sharp and continuous rise in the price of fish of all kinds. At present the price of smoked herring is about two and one-half times as much as it was in that month, and accordingly the demand has decreased appreciably.

Considerable progress was made by United States exporters in this trade through the years under review. Not only did their sales increase at the expense of Canadian exporters, but they increased in a declining market. Part of this increase is a statistical one only, because over a certain period fish of Canadian origin were invoiced by United States firms and consequently credited to the United States in the trade figures. In addition certain smokeries in Maine have been sharing in a trade which has been chiefly Canadian for a long time.

#### DRIED SALT FISH

The Haitian market for fish is an exception to the usual rule that dried salt fish is the most important item in the fish import trade. This group has always been second in both volume and value to the pickled and smoked group. Low purchasing power and the tendency to buy in small units rather than by weight is partially responsible for this situation.

Generally speaking the Canadian types in demand are similar to those which are sold in the Santiago de Cuba market, although a much greater proportion of the imports is of small fish than is the case in Santiago. The principal demand is, in fact, for small codfish, although an appreciable part of the imports is in the medium sizes. The large-sized fish is not a factor of much importance in this trade. The hard, dry cure of Norway and Iceland is also comparatively unknown, and neither of these countries, which provided so much competition in normal times in the remainder of the Caribbean area, has as yet made much headway in the Haitian market. The type in greatest demand continues to be that produced in Canada and Newfoundland. Practically all the imports in this group are of codfish. There is little demand for haddock or any of the various kinds of scale fish such as pollock, hake and cusk.

The packing preferred by importers for codfish is in drums of 432, 200 and 100 pounds net.

The following table shows the latest available figures of imports of dried salt fish:—

#### *Haitian Imports of Salted or Dried Fish*

	1937-38	1938-39	1939-40
Canada . . . . .	Kg. 442,430	466,064	331,006
	Gde. 293 692	290,549	242,035
United States . . . . .	Kg. 69,694	84,796	101,178
	Gde. 48,285	61,553	81,003
Bahama Islands . . . . .	Kg. 34,802	86,744	70,167
	Gde. 5,824	15,576	12,822
Other countries . . . . .	Kg. . . . .	6	15
	Gde. . . . .	22	34
Total weight . . . . .	Kg. 546,926	637,610	502,366
Total value . . . . .	Gde. 347,801	367,700	335,894

Canada has always been Haiti's principal supplier of dried salt fish, although in recent years competition from the United States and Newfoundland has been

increasing. The greater trade apparently done by United States exporters in recent years, as shown by the foregoing table, is, however, to a certain extent statistical only. Some part of the shipments from the United States shown in the foregoing table are really of Canadian or Newfoundland origin, having been invoiced by United States firms and consequently credited in the trade figures to that country. It is principally this competition from Newfoundland, together with a decrease in Canadian supplies, that accounted for the substantial drop in Canadian shipments in the fiscal year 1939-40. The fact that Canadian exporters were able to obtain better prices in other markets also tended to reduce sales to the Republic. Depressed economic conditions and slightly higher fish prices in that year were the cause of the fairly heavy decrease in the total imports of dried salt fish of all kinds. With a continuation of these depressed conditions into early 1941, coupled with short supplies of codfish and steadily rising prices, it is probable that when the import figures for 1940-41 are published they will show appreciably greater decreases in fish imports.

### CANNED FISH

The unimportance of canned fish as a foodstuff is even more pronounced in Haiti than in the other republics in the Caribbean area. Low purchasing power and the comparatively high landed cost of canned fish of all kinds keep it out of reach of almost everyone in the country. It is entirely a luxury product, and can be afforded only by a very small percentage of the population. At no time in the past three years has the total value of imports of canned fish of all kinds exceeded U.S.\$6,500. This, divided among approximately 3,000,000 inhabitants, gives an annual import value per capita of just slightly over \$0.02.

The following table shows the latest available figures of imports from the main supplying countries:—

*Haitian Imports of Canned Fish*

	1937-38	1938-39	1939-40
United States . . . . .	Kg. 5,240	11,688	15,729
	Gde. 9,138	14,784	24,275
France . . . . .	Kg. 2,651	3,810	1,552
	Gde. 6,896	9,328	4,663
Norway . . . . .	Kg. 5,222	3,540	1,921
	Gde. 8,241	5,114	2,951
Italy . . . . .	Kg. 1	34	32
	Gde. 7	121	241
Canada . . . . .	Kg. 4,091	1,988	....
	Gde. 4,042	1,735	....
Belgium . . . . .	Kg. 977	1	....
	Gde. 1,388	1	....
Portugal . . . . .	Kg. 913	3	27
	Gde. 1,273	7	70
Germany . . . . .	Kg. 4	418	....
	Gde. 16	553	....
Netherlands . . . . .	Kg. 222	152	....
	Gde. 323	191	....
United Kingdom . . . . .	Kg. 241	15	1
	Gde. 327	23	6
Other countries . . . . .	Kg. 41	40	1
	Gde. 109	139	1
Total weight . . . . .	Kg. 19,603	21,689	19,263
Total value . . . . .	Gde. 31,760	31,996	32,207

The imports shown in the foregoing table are confined almost entirely to canned sardines, whether these be the young of the pilchard from the Mediterranean countries, or the young of the herring from the North Sea countries, Canada and the United States, or the Californian sardine or canned pilchard from the Pacific Coast.

The imports from the Mediterranean countries are packed in a variety of sizes, chiefly in olive oil. Container sizes range from 2 ounces to 12 ounces,



but the bulk of the sales are made in the usual 3½- or 4-ounce tin. The sardines from the North Sea countries, Canada and the Maine coast are principally in the 3¼-ounce dingley quarter, packed in cottonseed, peanut or salad oil with, in some cases, an admixture of a small amount of olive oil. These same sardines are also offered in tomato sauce. The Californian sardine or pilchard is usually packed in a 15-ounce oval tin in the same types of oil as mentioned above, although some brands are marketed in oblong, flat tins ranging in weight from 8 to 14 ounces. The 1-pound tall tin for pilchards, as used in British Columbia, is not a popular type of packing.

Except for sardines, the import of any other type of canned fish is quite unimportant. This refers to such types as the various grades of salmon, crab meat, shrimps, clams, squid or cuttlefish, the various kinds of fish pastes, and so forth.

The United States now has practically a monopoly of the canned-fish trade of the Republic and this is due mainly to considerably increased shipments of Californian sardines. War conditions have eliminated from the market practically all of the Mediterranean-type sardines.

Canadian sardine packers did not make any shipments in the last fiscal year under review, due to a shortage of supplies in comparison with the greatly increased demand from all markets. While this situation lasts it is unlikely that Canada will appear as a supplier of canned fish to Haiti.

## ECONOMIC CONDITIONS IN TRINIDAD, JANUARY-MARCH

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, June 3, 1942.—Bolstered by the employment provided by construction of the United States bases and by wartime demands on the Colony's oil industry, money continued to circulate freely in Trinidad during the January-March quarter of 1942. Bank clearings, averaging over \$7,000,000 monthly for the quarter, were about \$1,700,000 higher than the average for the same period of 1941. Government railway receipts, totalling \$446,000, were 42 per cent higher than in the January-March period of 1941, and merchants reported a strong demand for consumer merchandise that was daily becoming more difficult to obtain.

Agriculture continued to lag during the opening months of this year. The cocoa crop was extremely short, estimated sugar production for 1942 was below that of 1941, and the citrus crop was light.

Agricultural exports, which were considerably below those of January-March, 1941, were as follows:—

### *Trinidad Exports*

	Jan.-Mar., 1941	Jan.-Mar., 1942
Cocoa . . . . .Lb.	10,973,330	4,124,028
Grapefruit . . . . .Crates	90,271	1,445
Grapefruit juice . . . . .Gal.	71,257	3,277
Sugar . . . . .Lb.	56,160,048	31,406,144
Tonca beans . . . . .Lb.	2,589	51,876
Molasses . . . . .Gal.	87,260	689,475

Due, however, to the intense activity in the construction and industrial fields, imports for January-March, 1942, totalling \$14,125,765 in value, were 22.4 per cent above the total for January-March, 1941.

Unfortunately the Colony's favourable financial position exercises little influence on what is now its most vital concern, the securing of adequate supplies of food. Continued loss of cargo space through enemy action in the Caribbean has made the problem sufficiently acute to necessitate the appointment of a food controller with full supervision over imports and production.

A total of 6,000 acres of sugar-cane land has been set aside for the purpose of increasing local production of foodstuffs. In the matter of imports, the whole question of essential supplies and shipping space was under review during the recent visit to Trinidad and the other colonies of the Anglo-American Caribbean Commission, whose efforts culminated in a conference in Jamaica that was attended by representatives of the various colonies, the United States and Canada.

While the decisions of this conference are not fully known, it is apparent that, in order to take full advantage of the limited shipping space available, each colony, including Trinidad, will be obliged to make greater use of government bulk purchasing methods. Already in Trinidad bulk purchasing has been applied to steel and iron products, rubber goods, and certain textiles, and it is being extended to include flour, oats and certain other essential foodstuffs.

Trinidad is rapidly entering the all-out war phase, and complete government control must be exercised over the Colony's activities and commerce where they affect the welfare of the Colony.

## TRADE OF BRITISH GUIANA, JANUARY-MARCH

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, May 27, 1942.—At the close of 1941 British Guiana had \$2,400,000 surplus in its treasury. In a colony where economic conditions are so dependent on agriculture and weather conditions, it is not yet possible to estimate whether 1942 is likely to show the same favourable result. Prevailing dry weather may adversely affect the autumn sugar crop, which is the principal crop of the year. Grinding of the spring crop is under way, and up to April 1, 1942, production amounted to 55,024 tons of sugar as compared to 52,164 tons in 1941.

As British colonies in this area are no longer able to obtain supplies of rice from India, every effort is being made in British Guiana to expand production of this commodity in the hope of being able to supply Trinidad, and perhaps Barbados, with their 1942 requirements.

Meanwhile, strong activity in the bauxite mines, an expanding lumber trade, and the building of a United States base have reduced unemployment, and retail stores are enjoying a steady turnover in consumer merchandise.

These favourable conditions are reflected in a \$1,700,000 increase in the value of January-March imports as compared with the same period last year. The values of the main items showing increases, with comparative figures for the 1941 quarter within parentheses, are as follows: Butter, \$121,686 (\$41,023); cotton piece-goods, \$326,587 (\$174,335); flour, \$332,986 (\$230,107); glass and glassware, \$50,572 (\$10,783); sugar-making machinery, \$68,584 (\$31,760); dry salt fish, \$80,033 (\$50,276); barelled pork, \$54,385 (\$17,412); cement, \$45,174 (\$21,592); condensed milk, \$42,950 (\$22,622); art silk piece-goods, \$138,532 (\$79,222); sawn white pine, \$32,018 (\$1,174); machinery, \$510,442 (\$245,581); and manures, \$133,230 (\$20,238).

With the exception of dry salt fish, the increases in values of imports were accompanied by increases in volume. Noteworthy decreases occurred in such items as rubber-soled canvas shoes, motor cars, onions, potatoes, tea, and soap.

In an effort to maintain import supplies, restrictions on imports from the United States, especially of dry goods, have been modified. Local importers are also endeavouring to develop trade with Brazil in such items as textiles, rubber-soled canvas shoes, and foodstuffs such as butter. Efforts in this direction, however, have been handicapped by the insistence of exporters on letter-of-credit terms and by lack of adequate shipping space.

## TRADE CONTROL MEASURES

It is evident that the British Guiana Government is assuming greater control over all phases of the Colony's commerce. All wholesale and retail prices are being regulated, and bulk purchasing by the Controller of Commodities and Imports is being extended to include, in addition to iron and steel goods, certain essential foodstuffs and perhaps textiles. Bulk purchasing is becoming necessary, it is affirmed, in order to make the best possible use of whatever shipping space is available to the Colony during the forthcoming months. To what extent these impending changes will affect the interests of Canadian exporters is yet to be determined.

British Guiana, however, has less reason to be apprehensive of a shortage of foodstuffs than any other colony in this area. It is fortunate in being able to produce ample quantities of two essentials, rice and sugar; its local meat supply seems good, and ground provisions are being offered freely. As a result of an active "grow more food" campaign under the supervision of the Department of Agriculture, increasing use is being made of the Colony's local resources, so that, apart from salt, flour, and pickled or salted fish, there is little need for dependence on imported foods.

## IRELAND'S BUDGET FOR 1942

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Dublin, May 7, 1942.—The Budget for the year ending March 31, 1942, estimates an expenditure of £42,923,000, and revenues from all sources at £38,365,000. The deficit of £4,558,000 is to be defrayed by borrowing. The decision not to cover this deficit by increased taxation, especially on incomes, was received with considerable relief by many. Last year's deficit amounted to £2,697,000. The heavy expenditure on the army and other defence services was mainly responsible for the present situation. The outlay for defence for the financial year just closed amounted to £8,155,000, as compared with £1,766,000 in the last complete year of peace, which ended on March 31, 1939. This extra expenditure helped to bring the total funded and unfunded debt of the Eire Government to £80,661,714, as at March 31, 1942, compared with £72,986,211 for the previous year. Against the gross liabilities on March 31, 1942, are assets valued at £43,337,717.

The position of local authorities is that the gross debt outstanding at the end of March, 1941, which is the latest compilation at present available, was £35,872,000. After making certain adjustments, the statement accompanying the budget figures places the total gross liabilities of the State and local authorities combined at the end of March, 1942, at £111,270,000.

## CUSTOMS AND EXCISE REVENUE

Of the main sources of customs revenue, tobacco saved the situation by eclipsing, as in past years, all other commodities. The duty, which was raised to 5s. 6d. per pound in last year's budget, provided £7,141,000 and represented 65.6 per cent of the total customs revenue. Receipts from clothing, footwear, piece-goods, tea and wine were above those for the previous year, while customs revenue from almost all other sources declined. Receipts from sugar, spirits, motor cars and lubricating oils fell away sharply.

With regard to excise revenue, beer headed the list by providing £3,195,000, a decrease of £19,000 compared with the preceding year. The spirits group provided £2,027,000, an increase of £211,000 over the previous year. Imports have contracted, but this position has been of assistance to home distillers.



The increase in excise may be due to a tendency to lay in stocks of dutiable commodities owing to a fear that taxation and prices may continue to rise.

The memorandum issued with the budget explains that the estimates "are prepared on the basis of existing taxation, and behind all the figures both on the revenue and expenditure side, lies the assumption that, despite the serious expansion of the war area and its growing intensity, we will be able to maintain the economic fabric of the country."

## UNITED STATES PLANS TO EXPAND VEGETABLE DEHYDRATION

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, June 8, 1942.—The United States Department of Agriculture announced last week a program to encourage expansion of vegetable dehydration facilities to meet increased needs for military and civilian consumption and lend-lease purposes and to help alleviate the serious situation with respect to containers and transportation of food. Under the plan American vegetable dehydrators will be invited to expand their present facilities and canners and other food processors will receive technical assistance and material priorities in converting part or all of their plants for dehydration operation.

It is reported that the Agricultural Marketing Administration will make contracts with processors meeting their requirements to purchase that part of their production which is needed for domestic, military and lend-lease requirements both on a current and future delivery basis.

Substantial savings in shipping weight and space are expected to result from the dehydration program. Generally speaking, dehydration results in a reduction in weight in the ratio of 10 to 1 and in volume of 4 to 1. There are said to be 113 companies now operating dehydrating plants as compared with only 18 a year ago. Aggregate annual production of these plants is estimated to be 125 million pounds, of which some 50 million are already purchased under contract by various government war agencies.

## BUSINESS CONDITIONS IN CHICAGO AND DISTRICT

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, May 27, 1942.—The Federal Reserve Bank of Chicago, reporting for the Seventh Federal Reserve District (comprising Michigan, Indiana, Illinois, Iowa and Wisconsin), states that, although sometimes obscured by the lack of dramatic day-to-day advances, industrial activity in the District was maintained at high records during March and April, reflecting steady progress in the war program on the home front.

### CHANGES DUE TO WAR

Retarded by drastic curbs which amounted to complete elimination of some products, slowed down by serious limitations of raw materials needed in the production of consumers' goods, and impeded by shortages in storage and transportation facilities, the industrial advance reveals significant alterations in the components of economy which have called for re-orientation in business planning, in trade activities, in fiscal policies, and in credit practices. The application of wartime controls over production and distribution have brought unexpected changes before the advent of total war and, while designed to speed ultimate victory for the armed forces, impinge on the American standard of living. Restrictions and stop orders issued by the War Production Board and the Office of Price Administration curtail many products produced in the Seventh District.

Business has met this restricted civilian output with enlarged war production, and, as a result of an Executive Order issued March 26, is now fortified with ample credit to take on war contracts unhampered by peacetime credit requirements.

#### EMPLOYMENT AND WAGES

Employment, however, has not kept pace with the production gains. The index of total manufacturing employment in the Seventh District has declined steadily from the September peak of 146 per cent of the 1935-39 average, and in February receded to 133 where it remained up to March 15, the latest date for which figures are available.

Aggregate wage payments have shown a different trend from that of employment, having advanced almost every month since July, 1940. In March the index reached 181 per cent of the 1935-39 average, a gain of 5 per cent over the September level.

#### CONSTRUCTION

The construction industry has reflected the accelerated transition to a war economy. Notwithstanding the virtual halting of non-essential building, a marked advance has occurred because of defence requirements. Contract awards in the Seventh District during March reached a valuation of more than \$140,000,000, making that month one of the highest ever recorded.

Of the \$272,000,000 worth of contracts recorded in the first quarter of this year, more than 70 per cent represents government ownership. Public works and utilities, however, were cut down this year to a volume little more than half as large as in the first quarter of 1941. Such projects have had to give way to an increasing need for the housing of defence workers and the armed forces.

#### STEEL

Steel production during April was maintained at the near record-breaking levels which have become customary. The average rate of production for the Chicago area was 104.6 per cent of rated capacity. The steady increases in production in the past few weeks may be attributable in part to the easier flow of scrap. The production of pig iron reached a new all-time high in March when local mills achieved a daily average of 34,510 net tons, an increase of 475 tons over the previous month.

#### COAL

Bituminous coal production on a daily average basis declined in March from February, but production in the first quarter of this year has been 5 per cent larger than in the same period last year.

#### FURNITURE

The furniture industry showed a seasonal increase during March. Comparison with a year ago shows an accumulation of almost 25 per cent in unfilled orders, notwithstanding the fact that shipments throughout the first quarter of this year have been one-fifth again as large as during the same period last year.

#### GASOLINE

Consumption of gasoline increased during March and continued larger than in the same period last year. Demand for fuel oils has been especially heavy and stocks are falling off despite increasing output.

#### PAPER

Orders booked by reporting paper manufacturers of this District have been declining during recent months and in March reached a level 15 per cent below

that of a year earlier. Shipments have been 20 per cent heavier in the first quarter of this year than in the same period last year.

### RETAIL SALES

The increased flow of income payments coupled with higher prices has raised the dollar volume of retail sales in most of the large cities throughout the District. Compared with March a year ago, sales this year have increased 22 per cent. Open book accounts are up 24 per cent. Cash and c.o.d. sales show a gain of 28 per cent and instalment accounts are 15 per cent higher. Cumulative sales during the first quarter of the year show a gain of 27 per cent for the District, with the largest gain in musical instruments, radios, and phonographs.

### COST OF LIVING

The average cost of living index for large cities within the District stood at 114.3 on March 15 (average 1935-39 equals 100).

## ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

### VII. Export and Import Prices

The basis of the external trade of Argentina is the exchange of agricultural products for imported fuel, raw materials and semi-fabricated products required by her domestic manufacturing industries, and for necessary manufactured goods that are not produced in Argentina. Exports must provide the revenue to meet external financial services, but, while Argentina receives world prices for practically all her exports, in return she must buy products the prices of which are subject or open to direct or indirect control.

The Argentine Ministry of Finance has recently announced that, while Argentine export prices in November, 1941, averaged 9 per cent higher than in August, 1939, prices of imported goods were 64 per cent higher. Argentina received 27 per cent more for her wool, hides and other products sold to the United States but paid 60 per cent more for the American goods that had to be purchased.

The following table, based on information supplied by the Argentine Central Bank, shows the variation in Argentine export prices between August, 1939, and November, 1941:—

#### *Variation in Argentine Export Prices*

	All Countries Inc.+ or Dec.— Per Cent	United States Inc.+ or Dec.— Per Cent
Casein . . . . .	+ 400	+ 400
Meats . . . . .	+ 29	+ 52
Cattle hides, salt . . . . .	+ 45	+ 45
Cattle hides, dry . . . . .	+ 35	+ 35
Sheep skins . . . . .	+ 22	+ 22
Wool . . . . .	+ 20	+ 20
Quebracho extract . . . . .	+ 20	+ 20
Flaxseed . . . . .	— 9	— 9
Wheat . . . . .	+ 41	..
Corn . . . . .	— 74	..
Oats . . . . .	+ 15	..
Barley . . . . .	— 58	..
Rye . . . . .	— 46	..
Butter . . . . .	+ 14	..



Following is a similar comparison in respect of Argentine import prices:—

*Variation in Argentine Import Prices*

	All Countries Percentage Increase	United States Increase
Coal . . . . .	91	125
Petroleum . . . . .	91	91
Newsprint and other paper . . . . .	73	91
Lumber . . . . .	89	90
Construction iron . . . . .	75	76
Other iron . . . . .	75	74
Textiles . . . . .	47	59
Industrial machinery . . . . .	52	55
Industrial chemicals . . . . .	36	34
Medicinal products . . . . .	40	38
Construction materials . . . . .	24	36
Foods, beverages and tobacco . . . . .	121	35
Tinplate . . . . .	30	27
Automobiles . . . . .	8	12

Higher wartime ocean freight and insurance rates are of course important factors contributing to the variations in import and export prices c.i.f. and f.o.b. Argentine ports respectively. Since the foregoing statistics were issued there have been important reductions in rates on both north- and south-bound ocean freight between Argentina and the United States. The freight rate position is, of course, subject to frequent changes under current conditions.

The general trend in the internal price situation is indicated by the following indices of wholesale prices in Argentina as published by the Argentine Central Bank:—

*Argentine Wholesale Prices*

	1937	1938	1939	1940	1941
	Base, 1926=100				
General prices . . . . .	112.6	105.5	108.2	123.4	145.0
Non-agricultural prices . . . . .	114.4	109.4	114.8	135.4	163.8
Agricultural prices . . . . .	105.1	90.6	83.6	80.4	76.1
Grain . . . . .	101.3	90.6	77.6	68.8	60.3
Meats . . . . .	93.6	94.8	94.5	103.0	102.5
Hides . . . . .	118.6	81.9	89.2	92.3	105.8
Wool . . . . .	143.7	92.5	103.9	116.6	110.4
Dairy products . . . . .	93.7	83.9	83.0	82.0	98.4

The sharp rise in the wholesale prices of non-agricultural commodities is attributable to the higher cost of imported goods, due to increased costs in the supplying countries, higher ocean freights and insurance, and the shortage of essential imported goods. This shortage of imported goods has been one of the principal contributing factors in the accumulation since 1939 of a favourable balance of payments for Argentina of \$188 million. In other words, if the needed imported goods had been available from abroad, Argentina could and would have purchased larger quantities, and the wholesale price index would have been prevented from rising, at least to its present level.

CONTROL OF INTERNAL PRICES

The Argentine Government has enacted legislation which empowers the Executive Authority to declare any specific commodity or commodities subject to seizure of local stocks, rationing, and control of distribution in order to protect the public. This course has been adopted in the case of jute grain bags and newsprint. Fuel consumption is being controlled, and automobile tires and motor cars are rationed. Control measures will no doubt be applied in other essential commodities in the near future.

No steps have been taken so far towards controlling directly the general level of prices. There has been direct official action, however, on occasion under existing legislation towards placing a maximum limit on prices of certain commodities in order to check trade profiteering, particularly in certain staple food-stuff lines in periods of temporary shortages since the outbreak of war. In these cases maximum prices are posted officially in the public retail markets for the information of retail buyers of foodstuffs. In addition the Government follows at times the practice of buying stocks of particular commodities at fixed prices and re-selling them to the public at cost from special selling booths in the retail markets. This is designed to restrict the practice of withholding stocks by the trade or of refusing to offer stocks for sale at the official prices. Recently this method operated satisfactorily in the case of table potatoes, and it has also been applied at various times to meats. Argentina produces her own cotton and wool, and so could control the price of these raw materials if the situation should warrant it. A tax has already been placed on the domestic raw cotton fibre consumed by the local textile mills.

Consumer prices of imported goods have risen sharply, as shown by the wholesale price index. Many of these commodities are now becoming either scarce or impossible to obtain. Prices have risen for other commodities in the production of which imported raw materials are important factors affecting cost, but in general the majority of consumers have not been seriously affected so far by the indicated rise in the general index of prices. The majority of the population either normally do not consume or can do without, if necessary, most of these higher priced imported commodities and can live to a large extent on the products of the country. The minority can continue to buy what is available of the imported commodities without greatly affecting the community as a whole. Rationing measures ensure equitable distribution in specific cases.

The position of the average Argentine consumer is indicated by the indices of wholesale prices published by the Argentine Central Bank, and the cost of living index compiled by the Argentine Department of Labour. It will be noted that the index of wholesale agricultural prices generally rose 5·7 points in 1941 whereas that of non-agricultural products, influenced by the higher cost of imported goods, including raw materials and products for further processing in Argentina, rose 55 points (86·3 points since the outbreak of war), and the general wholesale price index rose 44·4 points. On the other hand, the general cost of living index rose only 11·8 points during 1941. The latter index covers food (all staple goods), rent, fuel, lighting, clothing, and sundry expenses.

### *Argentine Wholesale Price Indices and Cost of Living Index*

	Dairy Products	Hides	Wool	Meats (1926=100)	Grain	Agric. Products	Non- Agric. Products	General Index	Cost of Living (1933=100)
1937.. . . . .	93.7	118.6	143.7	93.6	101.3	105.1	114.4	112.6	112.1
1938.. . . . .	83.9	81.9	92.5	94.8	90.6	90.6	109.4	105.5	111.1
1939.. . . . .	83.0	89.2	103.9	94.5	77.6	83.6	114.8	108.2	112.9
1940.. . . . .	82.0	92.3	116.6	103.0	68.8	80.4	135.4	123.4	115.4
1941.. . . . .	98.4	105.8	110.4	102.5	60.3	76.1	163.8	145.0	118.5
January .. . . .	76.6	102.6	99.1	96.0	59.7	72.9	139.3	125.0	113.7
February.. . . .	75.2	94.5	99.6	94.2	59.8	72.2	139.6	125.2	112.1
March .. . . .	76.0	99.6	99.7	99.6	59.8	73.3	141.7	127.1	112.9
April .. . . .	81.4	97.8	101.0	103.3	59.7	73.9	146.4	130.9	114.8
May .. . . .	90.6	104.1	106.1	101.6	59.7	75.0	150.0	133.9	115.9
June .. . . .	102.5	100.8	117.6	102.4	59.9	76.2	155.8	138.7	117.4
July .. . . .	111.1	97.1	110.5	105.9	60.5	76.4	168.1	148.4	120.0
August .. . . .	115.7	100.1	110.2	109.1	60.4	77.0	174.0	153.2	120.5
September .. . .	122.6	107.1	113.1	108.2	60.7	78.2	181.2	159.1	120.6
October .. . . .	111.6	116.4	122.2	104.2	61.6	79.5	185.9	163.1	122.9
November .. . . .	119.4	122.5	125.7	103.7	61.3	80.1	189.5	166.0	125.6
December .. . . .	98.2	126.4	120.2	102.4	60.2	78.6	194.3	169.4	125.5
1942 (January) .. .	99.3	121.7	123.3	101.6	60.1	78.6	201.1	174.7	123.2

## TARIFF CHANGES AND TRADE REGULATIONS

### New Zealand

#### ADDITIONAL IMPORT LICENCES FOR LINOLEUMS AND OTHER GOODS

A New Zealand Customs memorandum dated April 20, 1942, announced that additional licences may be granted, on application, for imports from the United Kingdom, Canada, and other British countries of linoleum, cork carpets, and rubber flooring, including mats, matting and floor-rugs of similar material, in amounts equivalent to the volume of 1942 licences already granted as basic allocations for similar goods. The basic allocation for 1942 is 75 per cent of the value of similar goods imported from the same sources during 1941. The amounts for which such additional licences are issued will be taken into consideration if applications are made in respect of similar goods in subsequent licensing periods.

A similar concession is made for carpets, floor coverings, floor rugs, mats and matting, but these goods are licensed for admission only from the United Kingdom and Crown Colonies.

### Nyasaland

#### CONTROL OF IMPORTS, EXPORTS AND EXCHANGE

Mr. H. L. Brown, Acting Trade Commissioner at Johannesburg, reported on April 25 that the basic enactment governing import and export control in Nyasaland is still Government Notice No. 113, of 1939. Defence Regulations 1939 (Government Notice No. 109 of 1939, Part VI) give wide powers of control in regard to all supplies. The control was originally vested in the Comptroller of Customs, but was transferred by Government Notice No. 130 of 1941 to a Supply Board.

The Comptroller of Imports is provided with absolute discretion to grant or refuse such a licence. No article or commodity of any kind may be imported except (a) under the authority of an import licence, or (b) where the Comptroller of Imports has approved the importation without the issue of a licence.

In order to save shipping space, no goods may be imported from overseas which can be obtained from overland sources. Imports must be from countries in the sterling area whenever possible in order to save dollar exchange. For government as well as civilian needs, only war essentials not obtainable elsewhere may be imported from countries outside the sterling area, such as Canada. War essentials include articles for the maintenance of civil needs on a wartime basis. Part of this policy finds expression in the discouragement of importation of luxuries and even conventional necessities by high tariffs in order to make more money available for taxation and diversion to war loans.

#### EXCHANGE REGULATIONS

Where dollar exchange is required, application must be made to banks in Nyasaland or the United Kingdom. Conversely all persons possessing dollars or other non-sterling currency are required to offer such currency to the banks, which have been appointed authorized dealers. In general the exchange regulations of Nyasaland follow closely those in force in the United Kingdom. The need for such a compact arrangement is strengthened by the fact that the main exports of Nyasaland are tea and tobacco, and these are sent almost exclusively to the United Kingdom. Among the provisions of Government Notice No. 113 of 1939 is one affecting exports, by virtue of which it shall be a condition of every export licence that goods sent to foreign countries shall be sold only for foreign exchange and, specifically, that goods exported to Canada shall be sold only for dollars, these to be offered, on receipt, to a bank in the Protectorate. The Board has made regulations prohibiting the export of sundry essential commodities, e.g. iron and steel, plant and machinery, lorries and spares, scrap metal, etc.



The Defence (Finance) Regulations 1941 were published as Government Notice No. 90 of 1941 and were amended by Government Notice No. 121 of 1941. These regulations have much in common with those now in effect in Canada regarding United States dollars and securities. The enactment provides that no person other than an authorized dealer may deal in any foreign currency or gold except as provision may be made.

### Trinidad

#### IMPORT QUOTA ON BRUSHES

The Trinidad *Royal Gazette* announced on June 5 that brushes had been placed under quota in respect to their importation, naming specifically industrial, shaving, tooth, paint and paste, household and other brushes.

### Union of South Africa

#### WARTIME CONTROL OF MATERIALS

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Cape Town, reporting on April 17, 1942, on import control in the Union of South Africa, writes that under authority conferred by the War Measures Act, 1940, the South African Government, on January 26, 1942, published a proclamation called War Measure No. 7 of 1942, which set forth regulations for the control of scheduled materials and articles. The Minister of Commerce and Industries was given power to appoint a Controller in respect of any controlled material and, by notice in the *Gazette*, to amend the schedule either by deletion or addition.

A Controller may constitute committees, appoint deputy-controllers, inspectors and other officers to assist him, and make other necessary arrangements. He may from time to time, by means of a notice in the *Gazette* (a) prohibit acquisition, disposal or use of any controlled material or the manufacture of any article from such material except under conditions imposed by the Controller; (b) order any person who produces, sells, consumes or owns any controlled goods to furnish information relating to them. He may by notice in writing order any particular person to dispose of any controlled material and in such manner as he may direct upon payment of its cost plus a percentage fixed by the Controller, and also to keep records relating to any controlled material.

The aforementioned Order of January 26, 1942, listed in the schedule as subject to control the following:—

1. Iron and steel in any of the following forms: Pig; scrap; ingot; billet, bloom, slab, sheet bar; plate, sheet (and whether coated or uncoated) but excluding tinplate; angle, channel, tee, joist, piling section, other structural sectional material; round, rod, square, hexagon, flat, other section or shape (and whether black or bright); rail, sleeper, and fastenings therefor; hoop, strip (and whether coated or uncoated); tube, pipe, other tubular products and standard fittings therefor (and whether coated or uncoated); tire, axle, wheel; casting, forging, stamping; shaft guide, pitprop, other underground supports and accessories therefor; bolt, nut, rivet, stud, screw, nail, staple, washer; wire rod, coated or uncoated wire (plain or barbed), wire rope, wire strand, wire netting, wire mesh, wire screen; fencing standard and dropper; drill and tool; grinding ball and slug.

2. Paper.

3. Lubricating oils.

4. Rubber, pneumatic tires and tubes.

5. Tin.

Notice No. 160 of January 26, 1942, announced the appointment of Mr. J. D. Heddon, Controller of Iron and Steel. Appointment of a Controller of Paper in the person of Mr. J. J. Kruger was gazetted by Notice No. 164 of January 28. The Minister of Commerce and Industries, by Notice No. 165 of January 28, 1942, substituted for "paper" in the foregoing schedule "all types of paper, including cardboard, paperboard, strawboard and the like both in the raw and in the manufactured or made-up form."

Mr. J. R. F. Stratford was appointed Controller of Rubber by Notice No. 206 of January 30, 1942.

Notice No. 252 of February 10, 1942, announced the appointment of Mr. S. H. Haughton as Controller of Tin and Tinsplate, while Notice No. 253 of February 10 amended the schedule to War Measure No. 7 of 1942 by the addition of the words "and tinsplate" after the word "tin".

Notice No. 380 of March 3 amended the schedule by the addition of: "6. Motor vehicles other than motorcycles either with or without side cars and other than tractors or similar vehicles designed exclusively for the haulage of other vehicles; and chassis for any such motor vehicles". The appointment of a Controller of Motor Vehicles was contained in Notice No. 381 of March 3, 1942, the appointee being Mr. E. J. A. Rink.

Notice No. 511 of March 24, 1942, added to the schedule of War Measure No. 7 of 1942 the following: "7. Any material or article which is used in the erection of a building, including equipment and fittings for such building but excluding furniture". Concurrently Notice No. 512 announced the appointment of Mr. J. G. H. Holdgate as Controller of Building Materials.

Notice No. 515 of March 24 replaced Item No. 3, "lubricating oils," by "soap, glycerine, glycol, oils (excluding petrol and any other substance suitable for use in an internal combustion engine), fats (excluding butter) and wax".

Notice No. 516 of March 24, 1942, related to the appointment of Mr. D. J. R. van Wyk as Controller of Soaps and Oils, thus rounding off all the commodity groups which up to date had been made subject to control by virtue of War Measure No. 7 of 1942.

Following their appointments the various controllers have published notices in the government *Gazette* dealing with the application and administration of control. These are basically for domestic consumption; some, however, are of indirect interest to Canada as an exporter of the products involved or as a criterion of methods employed.

Notice No. 161 of January 27, 1942, required all producers, merchants, users and owners of specified steel and iron products to furnish the Controller with stock returns.

Notice No. 258 of February 11, issued by the Controller of Rubber, prohibited the sale of rubber tires except under permit. (Previous restrictions on the sale of tires were withdrawn concurrently in order that control might be centralized under War Measure No. 7). Notice No. 291 of February 21 prohibited, except under special exemption or permit, the use of rubber for the manufacture of garden hose and all other articles customarily utilizing rubber. Re-treaded and re-conditioned tires were included by Notice No. 377 of February 27. Notice No. 559 of March 27, 1942, issued by the Controller of Rubber, prohibited the further use of that product for the manufacture of footwear containing raw rubber and restricting by 50 per cent its use for rubber soles, heels, tips and gum boots. Additional statistical data were also required.

Extensive regulations restricting the use of paper and paper products, published by the Controller of Paper in Notice No. 290 of February 19, 1942, were published in *Commercial Intelligence Journal* No. 1998 (May 16, 1942), page 525.

The Controller of Tin and Tinsplate issued Notice No. 425 on March 6 making necessary the reporting of all stocks held by sellers, consumers and others. Notice No. 558 of March 27 prohibited the use of tinsplate for the manufacture of containers for specified products and dealt with the size of others.

Notice 509 of March 20, issued by the Controller of Paper, concerned the use of paper and paperboard for the packing of foodstuffs.

Acquisition or disposal of new motor vehicles except under certain conditions was prohibited by Notice No. 510 of March 24.

Notice No. 570 of March 27 amended the schedule of War Measure No. 7 of 1942, by adding to Item 2 "cellophane, rayophane, sidac, deaphane and all classes of cellulose film; Plio film".

By virtue of Notice No. 647 of April 15, Item No. 5 in the schedule to War Measure No. 7 was replaced by "the following non-ferrous materials—



aluminium and its alloys; antimony and its alloys; copper and its alloys; lead, its ores and its alloys; molybdenum, its ores and its alloys; tin, its ores, its alloys; tinplate and any container consisting wholly or partly of tin or tinplate; tungsten, its ores and its alloys; vanadium, its ores and its alloys; zinc, its ores and its alloys." Notice No. 648 announced the appointment of Mr. S. H. Haughton as Controller of Non-Ferrous Materials.

Notice No. 649 of April 15 added to the schedule to War Measure No. 7 of 1942: "8. Machinery and implements used in connection with agricultural production, irrigation equipment, engines not exceeding 20 horse-power, tractors and fittings and spare parts for such machinery, implements, equipment, engines or tractors; jute products, whether in the piece or manufactured, and bags, woolpacks and pockets, whether new or second-hand, made from jute, cotton, linen or any other fibre and suitable as containers for the conveyance of grain or grain products, wool, fruit, vegetables, fertilizers or coal; "sewing and binding twine."

Notice No. 650 of April 15 announced the appointment of Mr. S. J. J. de Swardt as Controller of Agricultural Implements, Machinery and Requisites, as specified in the foregoing. Machine tools were added to the list of controlled commodities.

Notice No. 653 of April 15 added to the schedule: "9. Machine tools—any mechanical device for cutting, forming, abrading, polishing or otherwise working metal or wood and any standard equipment or attachment usually supplied therewith." Notice No. 654 appointed Mr. J. D. Heddon as Controller of Machine Tools.

#### CONTROL OF FOODSTUFFS

The Annexure to Proclamation No. 55 of 1942, which is known as War Measure No. 22 of 1942, defines the appointment of a Food Supplies Advisory Board and a Food Controller in the person of the Hon. W. R. Collins, Minister of Agriculture. As is the case of War Measure No. 7 of 1942, this is based on the War Measures Act of 1940.

The Controller is given wide powers over the production, delivery, use, packing and sale of foodstuffs. Foodstuffs is defined as "any agricultural or animal product (including live stock intended for slaughtering purposes) or any product derived therefrom, which is produced in the Union and is used for human consumption as food or for the feeding of live stock, and includes any such product imported into the Union."

It has been announced in the press that the organization of the Food Controller will work in five sections, namely—Production; Marketing; Fixation of prices to the producer; Supplies to convoys; Propaganda. The Food Controller has already fixed the quantity of tea which can be sold retail and announced a higher fixed price to be paid producers of wheat.

#### United States

##### CUSTOMS PROCEDURE FOR DUTY-FREE WAR EMERGENCY PURCHASES

With reference to the notice in last week's issue of the *Commercial Intelligence Journal* (pages 643-4) concerning free entry of war material under the President's Executive Order No. 9177 of May 30, 1942, the regulations referred to in the second paragraph to be issued by the Commissioner of Customs are:—

1. Collectors of Customs shall accord free entry to merchandise entered, or withdrawn from warehouse, for consumption on and after May 30, 1942, pursuant to Executive Order No. 9177, upon receipt of instructions from the Bureau, which will be issued after the receipt by it of a communication containing the certificate provided for in Section 2 of the Order and properly identifying the imported material.

2. If the merchandise is entered, or withdrawn from warehouse, for consumption by a government department or agency, but not otherwise, the provisions of Article 314 (d) Customs Regulations of 1937 apply.



3. When the person filing a consumption entry or making a warehouse withdrawal advises in writing that free entry will be claimed under Executive Order No. 9177 by a specified department or agency named or described in that Order, liquidation of the consumption entry, or settlement of the tariff status of the articles covered by the withdrawal, shall be withheld pending receipt of the Bureau's instructions with respect to free entry. If such instructions are not received within thirty days after the date of the entry or withdrawal, the Collector shall furnish the Bureau with all information including the contract number, if available, necessary to identify the particular shipment and await instructions from the Bureau.

4. Articles of the kinds subject to quantitative quota limitations upon entry or withdrawal for consumption which are accorded free entry pursuant to Executive Order No. 9177 are subject to such quota limitations. Articles of the kinds subject to tariff rate quotas are not chargeable against such quotas if accorded free entry pursuant to that Order.

Regulation 314 (d) of United States Customs Regulations, 1937, to which reference is made in Paragraph 2 is as follows:—

Estimated duties need not be deposited on shipments consigned to government departments or bureaus or authorized representatives thereof, nor will the bond above provided for be required in such cases. After due entry therefor has been made such merchandise may be immediately released. On liquidation of the entry the collector will state the duties due on vouchers, in duplicate, and present them for payment to the proper department disbursing officer.

### Argentina

#### PROPOSED TAX ON EXPORTS

Mr. J. A. Strong, Canadian Commercial Attaché in Buenos Aires, writes under date June 6, 1942, that a Bill has just been submitted to the Argentine Congress, under which it is proposed to levy a tax on the majority of the exports from Argentina. The rate is to be variable and adjusted to absorb the current increase in prices on export commodities at the time of export over the average export prices for the commodity for the last three pre-war years, 1937 to 1939 inclusive, with an allowance of 20 per cent over this average to cover increased costs of production since that period. Exceptions are to be made for certain minor export commodities. Provision is also made for a possible adjustment in the 20 per cent allowance to cover greater increases in costs of production if evidence can be submitted to substantiate an allowance in respect of a particular commodity.

This export tax is to be collected in pesos (local currency) at the time the foreign exchange is purchased from the exporter. The proceeds from the tax will be used by the Argentine Government to purchase obligations which the Argentine Central Bank has acquired under another plan whereby the Central Bank will exchange part of its holdings of blocked sterling for sterling obligations of the Argentine Government. The obligations which the National Government will purchase in this way from the Central Bank with the proceeds of the export tax will be turned over to the Bank of the Nation to finance new grain crop purchases under the guaranteed minimum-grain-price policy or to amortize existing debt that has been created on account of grain purchases in the past. The general position is that there is an urgent export demand at relatively high prices for meats and most animal products, whereas grain and grain products are difficult, if not impossible, to sell.

The immediate purpose of the export tax is to reduce the cost of living in Argentina. Domestic meat prices in particular have been rising steadily due to the current heavy export demand. The Government points out that the current heavy export movement in animal products is only possible because it accepts blocked sterling in payment while the producer is paid the full price in local currency.

## Peru

## DETAILS REQUIRED ON BILLS OF LADING

Mr. W. G. Stark, Assistant Trade Commissioner at Lima, advises that Canadian shippers should instruct their forwarding agents that the bills of lading covering shipments to Peru should contain a statement of the freight paid together with details of the total freight charges, otherwise the ship carrying the cargo will have to pay a fine of 10 per cent of the value of the freight. This regulation arises from an alteration in the payment of port and other dues formerly collected by the steamship companies in the form of a special surcharge and now to be levied directly by the Peruvian Government. To avoid claims being presented by either the shipping agents or the receiver of the goods, care therefore should be taken that a full statement of the freight charged appears on all copies, both negotiable and non-negotiable, of the bills of lading.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 15, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 15, 1942, and for the week ending Tuesday, June 9, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 9	Nominal Quotations in Montreal Week ending June 15	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2282	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2614	.2611	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6334	.6334	4
Venezuela . . . . .	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3324	.3324	—
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

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## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

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### Panama

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*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

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*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

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*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



## CANADA'S WARTIME CONTROL OF MERCHANT SHIPPING

A. L. W. MACCALLUM, DIRECTOR OF SHIPPING

The following address, dealing with the establishment, functions and operations of the Canadian Shipping Board, was delivered by Mr. A. L. W. MacCallum, Director of Shipping and member of the Board, at the 71st Annual General Meeting of the Canadian Manufacturers Association, held at Toronto from June 8 to 10 inclusive:—

In the first place I should like to thank the officers and members of the Canadian Manufacturers Association for giving me this opportunity of saying a few words concerning the control of shipping, which the war has made necessary in Canada as in other countries. The opportunity is particularly welcome because, while the day-to-day operations of the Canadian Shipping Board are most directly concerned with those engaged in steamship operations, that is, with the owners, operators, charterers, and agents of vessels, the Board realizes that shipping itself is merely a means to an end—the maintenance of the water transportation of materials, mainly for war production, in which the members of the Canadian Manufacturers Association are so vitally interested. Perhaps the Board, during the two and half years of its existence, has been somewhat taciturn as to what it is doing or what it is expected to do, but in this connection I would like to say that this is due in great measure to the fact that the operations or movements of merchant shipping cannot very well be broadcast. The Board is therefore not in a position to announce that it has been successful in making sea transport arrangements to ship Canadian materials to a particular place or provide tonnage to move essential imports from some place abroad to Canada. I do not intend to convey that I am complaining that we cannot publicize our successful, or even our unsuccessful, efforts. Our dearth of public statements as to what we are doing can be attributed to the naval restrictions placed upon, and rightly placed upon, any announcements relating to merchant shipping operations.

Before dealing with the main fields of the Board's control and operations, might I refer for a moment to the Canadian Shipping Board itself. The Board was established by Order in Council in December, 1939, and so has been functioning for two and a half years. It consists of representatives of those peacetime agencies of the Government most concerned with ships or shipping: the Department of Transport, the Naval Service of the Department of National Defence, the Department of National Revenue, and the Department of Trade and Commerce, plus representatives of two purely wartime agencies, the Office of the Transport Controller, and, more recently, Wartime Merchant Shipping Limited—the body responsible for the construction of merchant ships in Canada. Since shipping has a decided international aspect, the Board also includes a representative of the Department of External Affairs. The Chairman of the Board is Mr. L. D. Wilgress, Deputy Minister of Trade and Commerce. As one of the members of the Board, my own job is to serve as its Chief Executive Officer.

The main object of the Board is, of course, not merely to control and regulate all shipping of Canadian registry, but rather in so doing to assist our exporters and importers in securing vessel tonnage, whether Canadian, British, or foreign, to transport by sea our essential supplies. In order to achieve the purposes for which the Board was formed, it has been necessary to keep a close control of all the tonnage—ocean, coastal, or inland navigation—of Canadian register, to the end that what tonnage we have shall be utilized in the movement of war materials and essential civilian supplies.

To achieve these purposes, the Board licenses Canadian vessels in the trades in which it wishes them to operate.



It collaborates with the British Ministry of War Transport and with the War Shipping Administration at Washington in placing ceilings on the freight and charter rates which the operators of ocean-going vessels are allowed to charge shippers and importers.

It also collaborates with the Wartime Prices and Trade Board in the fixing of maximum rates of freight in inland navigation waters.

It sees that vessels of Canadian registry are not sold abroad or utilized in any way that would detract from our ability to do the best we can in these times with our available merchant shipping fleets.

It also enforces, in conjunction with the Department of National Revenue and through the medium of Ship Privilege Licences, restraints on vessels of foreign registry with the object of ensuring that such vessels, if neutral, shall not engage in operations inimical to the United Nations' effort.

In general the Board's functions, with respect to all ships of Canadian registry, are similar to those of the British Ministry of War Transport and the War Shipping Administration of the United States. With these two important shipping administrations the Board maintains the closest contact through its representatives in London and Washington, in order that it may obtain assistance in transporting Canadian export and import materials on British and United States controlled vessels.

The Board has not had the advantage of similar administrations in the United Kingdom, the United States, or some of the allied countries in the matter of the volume of ocean-going tonnage under its control. You are all aware that the number of ocean-going vessels of Canadian registry was never great, but I should like to say to you that those we had have done a good job, and that we have suffered our losses in assisting in carrying out the war transport of the Empire. Transportation of our war materials and essential civilian supplies naturally had to depend greatly, especially in the earlier stages, on tonnage of British registry; more recently vessels controlled by our ally south of the border have contributed. The Board has not neglected to utilize effectively such tonnage as it has at its own disposal, and it has certainly not been diffident in pressing for the assistance we must have in allocations of tonnage from British and United States sources of supply. While in these times of acute shortage of ocean shipping for all allied requirements we cannot expect to have ships ready whenever we want to use them, I do feel that our Canadian requirements have not been overlooked by the Board or by those agencies to which the Board looks for assistance, and that in general, for a country with very little overseas shipping of its own, we have not been neglected in the over-all shipping picture. In this connection I do not wish you to think that our contribution to the general allied pool has been negligible. On the contrary a substantial proportion of our available ocean-going fleet suitable for special war service has been detached from our shores and has done and is doing splendid service in the war effort abroad. Moreover, many Canadian vessels that in pre-war days were looked upon as good only for service in our inland navigation or coastal waters are now doing yeoman service far from our shores. The toll of these Canadian ships has been heavy. The services performed by them, and more particularly by their crews, are most creditable to Canada.

May I say a word about our inland navigation fleet. In this field Canada was fortunate in having substantial vessel tonnage at the outbreak of the war. I recall that in pre-war days there was a surplus of inland shipping, but the

scene has certainly changed. Many of our smaller ships—what we generally call canalers—are engaged in operations far from the St. Lawrence canals, doing work that has released other ships of the ocean-going type for more urgent business. Our entire remaining fleet of inland navigation vessels, upper lakers and canalers, is employed mainly in the carriage of ore and coal to our munition plants and in the transport of export grain from the head of the lakes to Georgian Bay ports. Ceilings on the rates at which these vessels move their heavy cargoes have been set, and a daily contact exists between the vessel operators and the Board, whose duty it is to direct the vessels into the trades in which they are most urgently needed.

Now I have said a good deal about ships and the Board's efforts in directing Canadian ships and in securing allocations of ships of other registry for our needs. Perhaps in closing you will allow me to speak for a moment about the cargoes which our own ships of Canadian registry, and the others which we secure for Canadian requirements, are permitted to carry. In the earlier days the Board had to take upon itself a good deal of responsibility as to what export cargoes should be loaded on a ship sailing from a Canadian port and what imports should be given space on a vessel loading abroad for discharge in Canada. An exception may be cited in the case of goods moving to the United Kingdom, which very early in the war were controlled by the import authorities of the United Kingdom. For many months past, however, the Shipping Board's functions with respect to what shall be loaded on vessels under its control have been changed. Nowadays, whenever a vessel is placed on the berth from Canada or to Canada, priorities with respect to the different items of cargo are set by the priority authorities of the countries concerned, generally by the authorities of the importing country. This means that in the case of exports to, say, South Africa, a ship loading in Canada for that country loads the goods which the South African authorities stipulate and, as ships are scarce, the goods loaded are almost entirely war materials or civilian supplies that are considered essential to that country's internal economy. On the other hand, if the Canadian Shipping Board arranges for a vessel to be allocated to load a cargo for Canada, say from India, it is instructed by the shipping priority authority of Canada as to what materials are to be given priority in the space available on that ship. The Board's function is to find the tonnage, no easy task, and to see that the ship operator carries out the wishes of the priority authority. In Canada the shipping priority authority is known as the Shipping Priorities Committee, whose secretary, Mr. C. M. Croft, is here to answer any questions that may be asked on the subject of cargo priorities. I merely wish to make it clear that the Canadian Shipping Board cannot allow a ship operator to fill his ship with whatever cargo he wishes, even if the cargo carries an attractive rate of freight. The ship operator is instructed by the Board to load cargo in accordance with the priority list supplied to the Board by the appropriate Priorities Authority.

I have endeavoured, as briefly as possible, to outline the control and activities of the Canadian Shipping Board. Its main difficulty, of course, is the prevailing shortage of merchant ships and the fact that arrangements made one day may be upset the next because of the hazards to which shipping is subjected, and also because of the fact that ships scheduled for a particular voyage have often to be diverted on short notice to another more pressing job. Since its inception, however, the Board's main aim has been to secure by every possible means sufficient ocean-going tonnage to meet our essential export and import requirements. The Board's orders and controls are merely a means towards that end.

## CANADA'S DOMESTIC EXPORTS IN MAY

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of May and the five months ending May, 1942 and 1941:—

*Canada's Exports by Principal Countries*

	Month of May		Five Months ended May	
	1941	1942	1941	1942
	Thousands of Dollars			
All countries . . . . .	161,639	234,180	567,008	895,051
Empire countries . . . . .	91,611	140,104	325,804	477,856
British East Africa . . . . .	660	128	2,907	362
British South Africa . . . . .	2,208	2,161	13,207	9,232
Southern Rhodesia . . . . .	230	49	1,061	465
British West Africa . . . . .	98	603	554	1,628
Bermuda . . . . .	305	377	870	1,287
British India . . . . .	3,391	21,569	12,388	58,041
Ceylon . . . . .	13	117	143	412
British Guiana . . . . .	684	236	1,874	2,160
Barbados . . . . .	532	131	1,053	963
Jamaica . . . . .	1,178	937	3,187	3,432
Trinidad and Tobago . . . . .	1,662	617	4,455	5,796
British West Indies, other . . . . .	415	209	1,283	1,473
Newfoundland . . . . .	1,896	4,765	5,057	14,043
Australia . . . . .	3,600	6,364	11,998	22,294
Fiji . . . . .	14	69	163	196
New Zealand . . . . .	988	2,351	4,105	7,542
Palestine . . . . .	197	6	478	54
Eire . . . . .	10	507	881	1,044
United Kingdom . . . . .	72,733	98,958	254,758	343,720
Foreign countries . . . . .	70,028	94,076	241,204	417,195
United States . . . . .	54,541	67,940	203,490	299,726
Argentina . . . . .	631	566	2,626	2,703
Bolivia . . . . .	37	46	133	166
Brazil . . . . .	817	421	3,227	2,318
Chile . . . . .	151	43	552	698
China . . . . .	540	1,654	3,282	4,024
Colombia . . . . .	155	140	631	698
Costa Rica . . . . .	14	17	88	126
Cuba . . . . .	181	186	867	1,045
Ecuador . . . . .	12	15	53	136
Egypt . . . . .	11,130	17,696	16,686	71,075
French possessions . . . . .	50	236	273	766
Guatemala . . . . .	12	21	81	108
Haiti . . . . .	5	81	46	187
Honduras . . . . .	27	45	104	127
Iceland . . . . .	49	294	289	661
Iraq . . . . .	.....	371	20	6,480
Mexico . . . . .	312	332	1,536	2,324
Netherlands West Indies . . . . .	20	124	126	622
Nicaragua . . . . .	18	36	78	121
Panama . . . . .	54	94	237	472
Paraguay . . . . .	2	.....	4	.....
Peru . . . . .	121	56	470	593
Portugal . . . . .	30	2	171	167
Portuguese Africa . . . . .	38	10	327	77
Russia . . . . .	.....	1,784	2	15,481
Salvador . . . . .	14	21	76	116
San Domingo . . . . .	8	3	83	86
Spain . . . . .	7	.....	193	.....
Switzerland . . . . .	104	445	579	1,723
Hawaii . . . . .	176	47	380	114
Puerto Rico . . . . .	96	99	311	514
Uruguay . . . . .	31	53	189	313
Venezuela . . . . .	142	72	583	559



*Canada's Exports by Principal Commodities*

	May, 1941	May, 1942
	Thousands of Dollars	
Total domestic exports . . . . .	161,639	234,180
Agricultural products (total) . . . . .	36,637	33,553
Fruits . . . . .	295	257
Vegetables . . . . .	182	343
Grains (total) . . . . .	25,961	22,734
Barley . . . . .	30	2
Wheat . . . . .	24,605	22,528
Wheat flour . . . . .	5,150	3,859
Alcoholic beverages . . . . .	1,341	1,898
Seeds . . . . .	103	77
Animal products (total) . . . . .	17,931	26,696
Cattle (except for stock) . . . . .	1,002	2,158
Fishery products . . . . .	2,162	3,051
Furs (chiefly raw) . . . . .	1,242	731
Hides, raw . . . . .	472	21
Leather, unmanufactured . . . . .	365	446
Leather, manufactured . . . . .	233	265
Meats . . . . .	10,051	17,254
Butter . . . . .	46	25
Cheese . . . . .	213	708
Eggs . . . . .	695	779
Fibres and textiles (total) . . . . .	2,961	2,997
Cotton . . . . .	1,634	1,240
Flax . . . . .	219	317
Silk (chiefly stockings) . . . . .	277	37
Wool . . . . .	84	280
Artificial silk . . . . .	236	270
Wood and paper (total) . . . . .	29,601	33,155
Planks and boards . . . . .	4,852	6,200
Timber, square . . . . .	30	59
Shingles, red cedar . . . . .	833	1,086
Pulpwood . . . . .	881	1,163
Wood-pulp . . . . .	6,984	9,131
Paper, newsprint . . . . .	12,572	11,868
Iron and products (total) . . . . .	27,650	42,841
Pigs, ingots, etc. . . . .	2,373	2,234
Rolling-mill products . . . . .	577	127
Tubes and pipes . . . . .	389	60
Farm implements . . . . .	1,866	1,104
Hardware and cutlery . . . . .	456	325
Machinery, other than farm . . . . .	2,221	1,720
Automobiles and parts . . . . .	16,652	20,032
Non-ferrous metals (excluding gold) . . . . .	25,747	29,227
Non-metallic minerals (total) . . . . .	3,821	4,610
Coal . . . . .	185	256
Petroleum . . . . .	380	546
Stone . . . . .	1,143	1,332
Chemicals (total) . . . . .	4,887	8,215
Acids . . . . .	227	241
Fertilizers . . . . .	1,778	1,285
Soda compounds . . . . .	740	456
Miscellaneous (total) . . . . .	13,004	52,886
Electric energy . . . . .	500	589
Films . . . . .	153	140

**ECONOMIC CONDITIONS IN AUSTRALIA IN 1941**

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

**I**

Melbourne, April 16, 1942.—Australia's favourable economic condition up to the end of 1941 was due to her ability to supply Great Britain and her allies with necessary primary products, including wool, butter, meat, metals and wheat, and to forward large quantities of manufactured goods and military equipment to nearer countries, such as the Netherlands East Indies, India and South Africa. As a result, farming and pastoral activities were maintained close to the pre-war level, while secondary industries, especially those producing military equipment, operated at a higher level than in the most prosperous of the pre-war years.

Despite the partial ban imposed by the Federal Government in 1939 on new share issues, official stock exchange statistics show that during 1941 nearly double the amount of new capital was raised by Australian companies as compared with the 1940 totals. Figures for 1941 were £5,195,590, including £719,000 debenture issues, as against £2,780,759 in 1940. The reason advanced for the increase was that special permits were granted to a number of companies manufacturing defence commodities. Chief of these concerns was Broken Hill Pty. Co. Ltd., which, upon submission of its ambitious program of shipbuilding, magnesium manufacture and additional steel-making, was allowed to raise £2,500,000. All told, twenty-two companies participated in new issues, among which textile concerns predominated.

Between August, 1939, and May, 1941, the Commonwealth Statistician estimated that the aggregate number employed in Australian factories increased by 153,000. This expansion represented an addition of approximately 7·2 per cent to the number employed just prior to the outbreak of war.

The national income, which could be expected to rise following increased employment, was estimated at £800 million to £850 million per annum during the financial year 1938-39; according to reliable estimates the figure for 1941-42 was £1,000,000,000, an increase of 17 to 20 per cent. Allowing for price movements, it was estimated that half of this increase represented additional output of goods and services, most of which were for military purposes.

#### WAGES AND PRICES

It was estimated that for 1941, with the growing national income approximately £150,000,000 had been added to the wages bill in the two years following the outbreak of war. Of this, allowing £50,000,000 on account of upward revisions for price movements, it was estimated that £100,000,000 represented the net gain to wage-earners. The federal basic wage, i.e., the minimum rate deemed necessary to support a man, his wife and one child, moved up from £3 19s. in the June quarter of 1939 to £4 6s. in the June quarter of 1941 and £4 7s. in the December quarter. This increase of 9 per cent was wholly accounted for by upward revisions on account of rising prices.

The wholesale price index number for September, 1941, published by the Commonwealth Statistician, showed an increase of 5·8 per cent since September, 1940, but an increase of 19·8 per cent since September, 1939. The sectional price for "goods principally imported" rose over 12 per cent during 1941, while that for "goods principally home produced" by only 7 per cent.

#### RETAIL SALES

Inquiry during 1941 into movements in retail sales since the outbreak of war in 1939, disclosed that the value of retail trade sales in three of the main Australian capital cities recorded the following percentage increases between August, 1939, and August 1941: Sydney, 35; Melbourne, 45; Brisbane, 26. As these increases relate to the value of sales, some allowance must be made for price movements in order to obtain a more accurate estimate of the rise in the volume of sales. The application of price control in Australia achieved its object in keeping the rise in prices to a minimum, and percentage increases as between the September quarters of 1939 and 1941 in the official retail price index numbers used for adjusting basic wage rates, were as follows: Sydney, 10; Melbourne, 9·9; Brisbane, 11·1. It is apparent from these comparisons that the rise in the value of retail sales was far in excess of that which could be attributed to price movements and, in view of the increased purchasing power of the community as a whole, a substantial increase in the volume of retail sales was not unexpected.

Reports indicated that, despite the large numbers of men and women in the armed forces, civilian demand for many varieties of clothing substantially



increased after the outbreak of war. This was particularly the case with respect to women's clothing, where turnover was much greater than two years previously.

Furniture and household wares also were reported in greater demand than in 1939. There was an appreciable increase in the per capita consumption of certain foodstuffs, notably butter, canned and processed foods (probably aided by official advertising campaigns to reduce surpluses normally exported), and confectionery. Buying of domestic hardware and electrical appliances was greater than two years previously, and the amount spent on various forms of amusement had risen considerably since the outbreak of war. (Measures taken by the Commonwealth Government after Japan's entry into the war effectively curtailed expenditure of money and resources on sports activities.)

At the outbreak of war in 1939, considerable emphasis was placed on the need for reducing imports of goods for civilian consumption in order to conserve overseas balances for the purchase of essential war materials. Imports of a number of commodities, for the most part consumed by the public, did decrease rather sharply after the outbreak of war.

Inevitably, however, there was an increased demand for locally produced articles or for substitutes. Consequently an appreciable number of new companies, and even new industries, were formed in Australia for producing consumption goods previously imported. While effecting some conservation of foreign exchange, the reduction in civilian imports nevertheless involved the use of foreign exchange for the purchase of such machinery and equipment and raw materials as could not be obtained in Australia.

It is noteworthy that imports of materials "for use in the manufacture of" for the twelve months ended June, 1941, reached a high level of 45 per cent of total imports. This diversion of demand from imported goods also involved the use of local resources of labour and materials, and maintained, and perhaps even encouraged, civil spending. Substantial supplies of unemployed labour at the outbreak of war permitted this development without seriously impeding a rapid expansion in war industries and war production. However, after two years of war, heavy enlistments in the various branches of the fighting services and the large scale of manufacturing activities produced a condition consistent with full employment, together with the realization of impending bottlenecks, were steps not taken to eliminate those so-called dispensable industries that were competing with the Australian war industries for labour as well as for materials.

The elimination of dispensable industries was calculated to effect a reduction in the high level of public spending on non-essentials and to divert available funds towards war loans and war savings. For a similar purpose, namely the reduction of non-essential expenditure, the Commonwealth Treasurer had in February, 1941, appointed a Board to inquire into the hire-purchase and cash-order credit systems. The Board reported in November, 1941, recommending the licensing of traders using cash orders and that restrictions be imposed on their widespread use, but up to the end of 1941 the Government proceeded on the basis of voluntary co-operation of traders to restrict the injudicious use of credit systems.

#### FINANCE

The rise in employment and national income was accompanied by a considerable expansion in note circulation and in banking returns. Inflow and outflow of central bank credit, due to financing the war and assisting the marketing of commodities, caused the amount of central bank credits outstanding to fluctuate widely. At times large advances were outstanding and, together with other central bank credit made available, e.g., through government financing and the purchase of London funds, resulted at times in the banking system being very liquid.



Savings bank deposits in Australia reached a new high total of £266,096,000 at the end of December. Over a year total deposits increased by £21,812,000. Sales of war savings certificates in Australia during 1941 reached a total of £29,006,350.

Of overseas war expenditure of £43 million during 1940-41, it was possible for Australia to provide £28 million from her own resources, the remaining £15 million being met by a loan from the United Kingdom Government.

Two Commonwealth loans were raised during 1941. The first, opened on April 30, was for £35 million, of which £27 million was for war and £8 million for Commonwealth and state works and other purposes. The loan was issued at par, and bore interest at  $2\frac{1}{2}$  per cent for 5 years or  $3\frac{1}{4}$  per cent for 9 to 15 years, free of state taxation but subject to full Commonwealth taxation. The loan closed on May 19, and was over-subscribed by £860,000.

A cash and conversion loan of £100 million was opened on October 7. It provided for the conversion of £70 million of Commonwealth securities maturing on November 15, 1941; the remaining £30 million was for war purposes. The loan was issued at par and bore the same interest rates as the previous loan. Subscriptions closed on November 15 and totalled £34,000,000.

#### BUDGET FOR 1941-42

On October 29, the second Commonwealth budget for 1941-42 was presented in the House of Representatives. Aggregate expenditure was estimated at approximately £325,000,000, an increase of about £70,000,000 over the actual expenditure for 1940-41. The figure set down for war expenditure (£221,500,000) differed little from that provided for in the previous budget but included increases to the active pay of members of the fighting services and certain additions to deferred pay and allowances to dependents at an estimated cost of £7,500,000 in a full year. Budget estimates of expenditure for 1941-42 compared with the expenditure for 1940-41 were approximately as follows:—

	Expenditure 1940-41	Estimates 1941-42
Civil expenditure . . . . .	£ 85,391,000	£103,500,000
War expenditure—		
Australia . . . . .	127,000,000	162,500,000
Overseas . . . . .	43,000,000	59,000,000

The increase of £18,000,000 in civil expenditure was mainly accounted for by the costs of Child Endowment (£13,000,000), introduced by the former Government and derived principally from a payroll tax of  $2\frac{1}{2}$  per cent on all wages paid by an employer whose payrolls amount to more than £20 per week. Another £2,500,000 was accounted for by increased expenditure on invalid and old-age pensions.

On the basis of existing taxation, revenue would be £163,227,000, in addition to which there was a cash balance from the previous year of £2,229,000. The balance required to finance expenditure was therefore £160,000,000. It was proposed to bridge this gap as to £22,000,000 by new taxes, and as to £138,000,000 by borrowing for war purposes. Heavy taxation was imposed on incomes over £1,500 per year, and on incomes exceeding £2,500 federal taxation would amount to 16s. 8d. in the pound. In the highest taxing state, Queensland, the total tax, federal and state, would therefore be just under 18s. in the pound. A proposal to tax combined incomes of husband and wife when the wife's income exceeded £200 occasioned such extensive criticism that an amendment was subsequently made to exempt the first £200 of the wife's income before assessing the rate of tax on the combined incomes. There was no provision for compulsory loans, as in the budget which preceded the defeat of the previous Government, but in a supplementary budget, which it was anticipated at that stage would be presented in March, 1942, but which, because

of the Japanese entry into the war, was introduced in December, 1941, incomes over £156 per annum became subject to a much heavier rate of taxation than heretofore. Little opposition to this increase was expressed.

The rate of ordinary company tax was increased from 2s. to 3s. in the pound, and it was proposed to reduce the statutory minimum percentage of profits on capital employed from 8 to 4 for the application of the Wartime Company Tax. The Government accepted an amendment providing that the tax would not operate until a company had earned a profit of 5 per cent on its capital. It also agreed to limit the operation of the war tax to a period ending six months after the war. The commencing rate of this tax, previously 4 per cent and increasing by 4 per cent steps for every additional 1 per cent of profits on capital employed in excess of the statutory minimum, was raised to 6 per cent, increasing by steps of 6 per cent to a rate of 78 per cent on taxable profit in excess of 16 per cent on capital employed. Certain companies engaged on war orders have voluntarily refunded to the Government large profits accruing from an aggregation of orders executed for government departments on a cost-plus basis.

#### WARTIME BANKING CONTROL

Wartime Banking Control Regulations were gazetted on November 26, following which the business of banking could be carried on only by holders of Commonwealth licences. The regulations provided that these licences could be withdrawn, after inquiry, only on the recommendation of a Judge of the High Court of Australia. Important provisions of the regulations were: Private banks could make advances only in accordance with Commonwealth bank policy and subscribe to loans and purchase securities only with the consent of the Commonwealth Bank. It was also provided that the Commonwealth Bank, following general principles approved by the Commonwealth Treasurer, should determine what part of a private bank's surplus funds available for investment should be deposited in a special account with the Commonwealth Bank. Interest on the balance in the special account would be paid by the Commonwealth Bank at a rate not above a maximum fixed by the Treasurer, and would be designed to ensure that a bank's profits would not exceed the average of its profits for the three years ended August 31, 1939. Provision was also made that private banks' balance sheets and profit and loss accounts would be published in a form specified by the Treasurer, who, with the Commonwealth Bank, would be provided with such statements of private banks' business as were required but not with details of individual customers' accounts.

The regulations were planned primarily to achieve two purposes:—

1. To ensure that the investment and loan policy of the banks would accord with the general principle laid down to govern civil investment, thus closing a major gap previously existing, since shortages of manpower were being increasingly felt, and private enterprise was coming into active competition with the Government for resources needed for the war effort.

2. To prevent the war financial policy of the Government increasing the profits of the private banks and providing the basis for an unsound expansion of credit.

It was stated that since the war began the investment funds of the trading banks had increased by £43,000,000.

#### BUILDING OPERATIONS

The value of building permits issued in the six capital cities of Australia during the year 1940-41 was £28,109,192 as compared with £26,468, 212 for the previous year and £28,234,229 in 1938-39. Faced with extreme shortages of labour and materials, the Government was, as the year closed, considering compulsory limitation of non-essential building operations.



Various housing projects of a governmental nature continued to be brought into effect during the year, until it became obvious that shortages of both labour and materials would seriously hamper even modified plans. Consequently, the Commonwealth Government decided to suspend its housing plan almost entirely for the duration of the war, but housing is expected to be a direct feature of Australia's post-war reconstruction program.

#### REGISTRATION OF MOTOR VEHICLES

At December 31, 1941, approximately 752,479 motor vehicles, comprising 525,530 cars and 226,949 commercial vehicles, were registered in Australia. At the end of 1940 registration totalled 815,889.

Of 385,886 motor cars registered in Australia at the end of December, 1940, at least 72,000 were delicensed and put out of commission during the year. War conditions, notably petrol rationing, were responsible for this reduction in registration of one car in every eight, a reduction which was only partially made up by 12,000 new cars sold in the Commonwealth during the year. The actual net withdrawal of cars off the road in 1941 was, therefore, just under 61,000.

The falling-off in registrations of commercial motor vehicles throughout the Commonwealth during 1941 was less noticeable, as only 7,524 trucks, vans, etc., were delicensed. Actually the net loss was 2,659 units, as 5,863 new commercial vehicles were bought and put into service during the year. All told, the net recession in registrations of cars and commercial vehicles was about 63,000 units.

#### AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, May 5, 1942.—The difficulty of providing adequate storage facilities for mounting wheat surpluses in Australia, together with the necessity for conserving available manpower, resulted in a decision being taken by the Australian Wheat Stabilization Committee in April to restrict acreage sown to wheat in Australia for the 1942-43 season.

There will be no compulsory reduction of wheat acreage in Victoria, New South Wales, Queensland or South Australia beyond that applying under the wheat stabilization plan introduced in 1941, and wheat-growers in those states will be licensed on the average of their sowings during a basic four-year period or according to the rotational system adopted by them and continued in 1941. In Western Australia, however, where the average production of wheat for the ten years ended 1941 was 32,800,000 bushels, growers will have their normal acreages reduced by one-third and will be licensed for the reduced acreages for the 1942-43 season. For the 11,000,000 bushels so reduced, wheat-growers in Western Australian will receive compensation at the rate of 1s. per bushel. The necessity for the greater restriction in the latter state was induced by the large surplus of wheat beyond its domestic requirements normally produced. Marketing difficulties experienced during the past two years permitted the accumulation of large stocks of wheat in Western Australia and created an urgent storage problem that would have been seriously aggravated had steps not been taken to limit production in Western Australia.

An unusual feature of the 1941-42 crop season was that Victoria produced 48,000,000 bushels of the estimated Australian production of 170,000,000 bushels of wheat as compared with an average production in that state during the ten years ended 1941 of 36,351,000 bushels. Victoria had no surplus from the previous year, as a result of the severe drought experienced in 1940-41, and the carryover in Victoria at the end of 1942 is expected to be 29,500,000 bushels. New South Wales, usually the greatest wheat-producing state in



Australia, produced only 41,000,000 bushels in the 1941-42 season as compared with a ten-year average of 56,000,000 bushels. Carryover in that state at the end of 1942 is expected to be 22,500,000 bushels. Production in South Australia during 1941-42 was estimated at 32,000,000 bushels and in Western Australia at 38,000,000 bushels. Carryovers in these latter two states at the end of 1942 are expected to be 34,250,000 bushels and 46,000,000 bushels respectively.

For April, 1942, stocks of grain in the hands of the Australian Wheat Board for disposal totalled 149,000,000 bushels as compared with 61,000,000 bushels for the corresponding month of 1941. Most of the 23,000,000 bushels disposed of since the beginning of the year was for local consumption.

Following representations the Wheat Board reduced prices of wheat to farmers by 6d. per bushel as from April 20 to permit of the production of eggs for sale at a reasonable price and also to enable stock-owners to provide wheat as a supplementary ration for their stock. The reduction in price did not apply to wheat sold for human consumption. Prices of wheat to farmers on trucks at ports are 3s. 6d. bulk and 3s. 6½d. bagged per bushel.

F.A.Q. STANDARD WEIGHTS PER BUSHEL

The bushel weights for the past two seasons were determined in the several states as follows:—

	1940-41	1941-42
	Lbs.	Lbs.
New South Wales . . . . .	62½	64
Western Australia . . . . .	63½	62¾
South Australia . . . . .	63½	62½
Victoria . . . . .	64½	63¾

To co-ordinate plans for storage of wheat in Australia it was announced in March that the Commonwealth Government proposed to control the bulk handling of wheat in Australia and to place the bulk handling organizations in the various states under the control of the Australian Wheat Board. The executive officers of the state bodies would be co-opted on a federal bulk-handling committee which would work in conjunction with the Wheat Board and the Minister of Commerce.

AUSTRALIAN LIVE-STOCK INDUSTRY

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Sydney, April 25, 1942.—Conditions adverse to live stock prevailed during the 1940-41 season in all the states of Australia, including Tasmania, which had the most unfavourable weather in many years.. Rainfall was deficient throughout the Commonwealth from April to October, 1940, and though Queensland's sub-tropical areas received early summer rains, all parts were poorly served thereafter until January, 1941, when some improvement occurred in Eastern Australia. The Western section of the country was critically short of water until late in May.

The live-stock population of Australia continued to increase, as shown by the following table:—

State	Sheep		Cattle		Pigs	
	December 31 1939	1940	December 31 1939	1940	December 31 1939	1940
	In Thousands of Head					
*New South Wales . . . . .	54,372	55,568	2,763	2,769	451	508
*Victoria . . . . .	18,252	20,412	1,788	1,922	298	398
Queensland . . . . .	24,191	23,936	6,199	6,211	391	436
South Australia . . . . .	9,941	10,263	351	377	120	190
West Australia . . . . .	9,574	9,516	799	789	150	218
Tasmania . . . . .	2,677	2,682	252	259	45	47
Northern Territory . . . . .	39	40	923	950	....	1
*Australian Capital Territory.	259	282	6	7	1	1
Total . . . . .	119,305	122,699	13,081	13,284	1,456	1,799

\* Figures for March of year following.

The increases for Australia as a whole are well up to the average of previous years. The condition of the live stock was generally below normal, and average weights and qualities for slaughter were lower. Queensland beef production was above average, with a large proportion of unfinished cattle appearing late in the year. Pig production continued to increase, with exceptional proportionate upturns reported in South and Western Australia.

### EXPORTS

Australia's only export outlet for frozen and chilled meat is the United Kingdom, whose alternative sources of supply have not been appreciably affected by the war situation. The factors limiting increased shipments from the Argentine, New Zealand and Australia were the scarcity of refrigerated shipping and domestic rationing in the United Kingdom.

The combined efforts of the British Ministry of Food and the Australian Meat Board to ameliorate the difficulties which the industry has encountered through the enforced restrictions of exports has been referred to in a previous report published in *Commercial Intelligence Journal* No. 1933 (February 15, 1941), page 189.

Happily, despite curtailment in the export of certain classes of meats, the total value of exports during 1940-41 exceeded that of the previous year by £834,712. Exports of canned meat to dispose of surpluses arising from the scarcity of refrigerated space have increased by 100 per cent, while pig meat exports have increased by almost 50 per cent.

Although detailed statistics covering the value of exports of pastoral products by destination are no longer available, the totals appearing below indicate the relative positions of the several sections of the trade during the years 1939-40 and 1940-41:—

#### *Value of Australian Meat Exports*

Class	1939-40 £A	1940-41 £A	Inc. + Dec. — £A
Beef and veal . . . . .	4,821,175	3,761,732	— 1,059,443
Lamb . . . . .	5,354,089	5,864,519	+ 510,430
Mutton . . . . .	727,601	277,964	— 449,637
Pork . . . . .	1,560,896	2,302,656	+ 741,760
Bacon and hams . . . . .	272,243	439,684	+ 167,441
Canned meats . . . . .	918,565	1,873,853	+ 955,288
Edible offals . . . . .	661,971	630,844	— 31,127
Total . . . . .	14,316,540	15,151,252	+ 834,712

An outline of measures taken in Australia to adjust meat production to export opportunities, to provide for the disposal of surpluses and to avoid serious depression of prices, will be published later.

### SHIPMENTS OF FOODSTUFFS TO TRINIDAD: NOTICE AFFECTING CANADIAN AND UNITED STATES EXPORTERS

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, June 6, 1942.—According to a notice issued by the Trinidad Food Controller under date June 6, all agents or direct importers of foodstuffs are to request their suppliers in Canada and the United States to submit the following information immediately to the Colonial Supply Liaison, 907 Fifteenth Street N.W., Washington, D.C., U.S.A.

1. A complete statement of all licensed outstanding orders for which freight space has not yet been allocated showing:—

- (a) Date and number of each order.
- (b) Quantity of each item on each order.
- (c) Total quantity of each item.

- (d) Intended date and quantity of each shipment of each item.
  - (e) Freight space required in tons or cubic measurement for each intended shipment of each item.
2. A complete statement of shipments that have not yet been cleared but for which freight space has been allocated showing:—
- (a) Date and number of original order.
  - (b) Quantity of each item against each order.

## BULK PURCHASING IN TRINIDAD

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, June 6, 1942.—In order to ensure the best possible use being made of the limited shipping space available for shipments to Trinidad, it was officially announced on June 3 that essential foodstuffs and certain other items for the Colony are to be imported under a bulk purchasing system. A purchasing department under a Director of Bulk Purchasing has been organized to operate in conjunction with the Control Board and the Food Controller. In addition, the Chairman of the Control Board, the Food Controller and the Director of Bulk Purchasing will act as a committee to determine the priority of imports on the basis of the limited shipping space available.

Besides essential foodstuffs, the goods which are required to be imported under the bulk purchasing system have consisted to date of semi-manufactured iron and steel goods, rubber products, essential drugs and chemicals, and lubricants. It is considered inevitable that other products will be included from time to time.

The Trinidad Food Controller has advised that collated orders for essential foodstuffs of Canadian origin will be placed through normal commercial channels as long as it is possible to secure satisfactory deliveries by that means.

## LINEN INDUSTRY IN NORTHERN IRELAND

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Belfast, April 27, 1942.—All sections of the Irish linen industry have lately been experiencing difficult conditions. Domestic trade has been increasingly affected by government control, and transport difficulties, shipping conditions and delays in obtaining raw material have all tended to slow-up export trade.

Costs of production have mounted steadily, although raw material prices are rigidly controlled, and as against the average price of approximately £500 per ton during the first Great War period, the corresponding average price for flax during 1940-41 was around £171, while for 1941-42 it has been fixed at an average of £200 per ton and for 1942-43 at £220 per ton. There has been an increase in other costs also, and wages have advanced in the various sections of the industry.

In the flax-spinning branch of the trade, conditions during the past eighteen months have been unfavourable, production rarely exceeding 30 per cent of normal. Notwithstanding, the workers were recently granted an advance in wages of 12½ per cent, making a total increase of 37½ per cent since the outbreak of the war.

At the beginning of 1941 business with many manufacturers was practically confined to government contracts. Several factories were engaged in making aeroplane fabric. In February a moderate contract for dyeing and finishing of haversack cloth was placed. It was not until April that it was intimated that the Government intended to place with the Irish linen industry orders for a large supply of a new fabric called "blitz cloth", a weatherproof protective



material to replace broken windows and for other purposes. With these orders and other contracts, including some for denim and dowlas, operators of looms in most factories were probably better employed than normally during the summer. At the end of August a large percentage of the looms in the weaving branch was being used to fill government requisitions for cotton goods. Additional contracts for aeroplane fabric were placed in August and December and others at the beginning of 1942.

### EXPORT TRADE

As no official statistics are available, the volume of export trade can only be estimated. Demand from the United States opened quietly in 1941 but improved later in the year and remained steady for household linens and damasks well into the autumn. Orders for dress linens were of minor importance, however, and inquiries for handkerchiefs fell off toward the end of the year. With spring buying predominant, the Irish linen market would normally be very brisk at this time, but there is little activity in either home or overseas business. Inquiries are being received in fair volume, but sellers are having difficulty in quoting on account of a shortage of stocks and trouble in obtaining permits for the production of many classes of goods. During 1941 Canadian purchases of linen were steady and encouraging. Towards the end of May the Department of Overseas Trade announced that Canadian import duties on certain United Kingdom goods, including linens, entitled to entry under the British preferential tariff, had been reduced by 50 per cent. Another welcome gesture in mid-July was the declaration that the export selling price of fabrics and manufactures wholly or in part of flax or linen would henceforth be accepted as the basis of valuation for duty purposes.

### PRICES

In December, 1939, the average price per square yard of the representative group of piece linens listed in the appended table was 16·06d., an increase over the average prices for 1936, 1937 and 1938 of 60 per cent and of 151 per cent over the 1914 price level. During 1940 values continued to rise, the average for December being 21·73d., an increase of 35·9 per cent over the December, 1939, average and of 115·5 per cent over that for 1936-38. The average price of 25·96d. per square yard for December, 1941, represents advances of 158·1, 61·6 and 19·3 per cent respectively on the average prices for December, 1938, 1939 and 1940.

Following is a table of comparative prices of representative items in December of the years 1938 to 1941 inclusive:—

	1938	Month of December			
		1939	1940	1941*	
		Figures in Pence			
24½-in. roughs, 6/6 . . . . .	37½	63½	93½	11	
33-in. holland, 6/6 . . . . .	5½	8½	13½	15½	
24-in. ducks, line . . . . .	6½	11½	29	32½	
3½ roughs, l.c. tows, 600 . . . . .	5½	8½	13½	15½	
3½ roughs, l.c. tows, 1,200 . . . . .	9½	15½	19½	22½	
38-in. grey yarn linens, 9/10 . . . . .	10½	17½	19	23½	
38-in. grey yarn linens, 15/16 . . . . .	15½	26	27½	34	
41½-in. cambrics, 16/16 . . . . .	15	22½	28½	35½	
41½-in. cambrics, 19/19 . . . . .	19	28½	35½	44½	
Men's linen h.s. handkfs. 21-in. 1,600 shire . . Per doz.	85	120	148	178	

\* Prices for 1941 are only approximate.

### CONDITIONS IN THE INDUSTRY

The total number of insured linen workers employed in Northern Ireland was 59,050 in September, 1940, but the periodic official issue of employment statistics for the industry has since been suspended. Last year few developments in regard to new additions to or withdrawals from the trade were recorded. Enemy air attacks in the spring resulted in the interruption of production in some Belfast mills and factories, but the dislocation was only temporary. With

the cost of living index constantly rising—the November, 1941, figure was 99 points above the level of 1914 and 34 and 10 points respectively above those for November, 1939, and 1940—wages in all sections have advanced.

The entry of Japan into the war, and the consequent threat to imports into the United Kingdom of practically all textile fibres, emphasized the importance of flax cultivation in the United Kingdom. It is the one textile fibre that can be successfully grown in this country, and there is no reason why the area devoted to production throughout Great Britain should not be increased to 150,000 or 200,000 acres instead of the present acreage of just under 100,000. Efforts to increase the acreage in Ulster are still being maintained, and a message recently addressed to Northern Ireland farmers by the Minister of Aircraft Production stressed the importance of planting every available acre to flax in order to supply the demands of the aeroplane industry. For 1941 the area under flax is estimated at 90,000 acres as compared with 22,582 acres in 1938, 21,194 acres in 1939, and 46,000 acres in 1940. In addition, increased flax cultivation in Great Britain, Canada, Australia, Egypt and other countries will help the Irish linen industry. Various factors, among them a wet harvest season and in some districts the difficulty of securing labour for pulling, adversely affected the 1941 crop, the quality generally being only fair. In some areas the yield was below normal.

### NORTHERN IRELAND BUDGET, 1942-43

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Belfast, May 8, 1942.—The Northern Ireland Minister of Finance, in presenting his budget for the year 1942-43, estimated total expenditure at £20,413,000, which, together with the provisional Imperial contribution of £21,300,000, brought the total to £41,713,000. As against this he placed the estimated revenue at £41,797,000, which will leave a surplus of £84,000.

#### CUSTOMS AND EXCISE

Customs and excise duties, exclusive of the purchase tax, are expected to yield £12,509,000, an increase of £4,379,000 over the figure for the previous year. It is anticipated that the purchase tax will produce £1,360,000, while revenue from surtax and income tax will be approximately £12,900,000. The National defence and excess profits taxes are estimated to yield £5,000,000. Post office revenue, estimated at £1,780,000, shows a satisfactory increase of £380,000.

#### IMPERIAL CONTRIBUTION

The Imperial contribution for the year 1940-41, provisionally estimated at £6,000,000, amounted to £8,500,000, while it was expected that the estimated contribution of £11,750,000 for 1941-42 would be substantially increased as a result of revision.

#### WAR SAVINGS

Ulster savings certificates provided £3,000,000, an increase of over £500,000 from the previous year's figure, bringing the total investment in the national defence issue of Ulster savings certificates (the whole of which had been lent to the Imperial exchequer for war purposes) to £6,300,000 as at March 31 last. Since the savings campaign commenced in November, 1939, the citizens of Northern Ireland have invested in war securities, under all headings, approximately £43,000,000.

## COMMERCIAL NOTES FROM INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian.)

Bombay, April 11, 1942.—There has been some recession in the general trend of business in India during recent weeks, resulting largely from the approach of the Pacific war towards this country's eastern frontiers. Many branches of industrial and agricultural production continue, nevertheless, to expand in response to growing domestic and export demand for a variety of raw materials and war equipment.

### Index of Business Activity

A reliable index of India's trade and industrial activity shows a decline of 5 points between December, 1941, and January, 1942. Even so, the latter figure is considerably above those for the same month of the last nine years.

Among the principal industries the cotton mills have been occupied with the filling of domestic orders and improving demand from overseas markets. The jute industry, on the other hand, has suffered from slack demand, accentuated by periodic labour troubles. The railways are having great difficulty in handling the abnormal volume of freight traffic offering. Their position has been reflected both in a reduced volume of coal raisings and a general dullness in internal trade.

### War Orders

The value of orders placed by the Supply Department during January, 1942, was Rs.205,000,000. Approximately half of this sum represented purchases of cotton textiles, the bulk of the remainder being made up of orders for engineering equipment, hardware, wood and wood products, woollen goods, chemicals, motor vehicles and parts, and leather goods.

It is estimated that government purchases of war materials since the beginning of the war have reached a value of Rs.2,506,000,000.

### Aircraft Production

The Indian Government has recently announced its intention of taking over control of an aircraft plant that has been engaged to date in the assembly of several types of American planes. It is understood that the present scheme will accelerate the output of a greater variety of planes that are particularly adapted to current Indian requirements.

A second plant, operated by the Tata organization, is at present in course of being completed. It will operate as an independent concern for the time being and will eventually have a large capacity for the production of several of the most modern types of service planes.

### Rubber Control

The Indian Government has taken over control of the production, trade, and use of rubber as an industrial material as from April 1, 1942. The control will be exercised by a committee, operating in consultation with the Supply Department, which will have complete authority over all commercial transactions involving raw rubber. Manufacturers requiring this material for use in their production processes will have to obtain permits for the purchase of such stocks.

### Recruitment of Small-scale Industries

The Supply Department, in co-operation with the various Indian States and provincial governments, is investigating the possibility of enlisting many of India's small-scale industries in the production of war materials. The



problem is a difficult one, as many such industries or units in them are widely scattered, have never been engaged in production along modern lines, and are frequently lacking in capital. The scheme now under investigation is quite capable, however, of producing practical results in the early future, and it is expected that various small factories will shortly receive contracts for the supply of a variety of military equipment to the Indian Government. Goods already produced by such industries include camouflage nets, blankets, leather goods, sun helmets, and cutlery.

### Shipbuilding

Several vessels for the Royal Indian Navy have been launched from local shipyards in recent weeks. Further construction is under way on an accelerated schedule. The vessels, although small, provide a valuable addition to the allied fleets charged with the protection of India's lengthy coastline.

Indian shipyards are now employing some 30,000 workers. There are at present over 300 vessels of various types under construction. Repairs to some 4,000 ships have been carried out since the beginning of the war.

### Agricultural Production

Various government and commercial interests are concerned with the problem of expanding agricultural production, particularly the output of foodstuffs. The loss of Burma and Indo-China as sources of supply of rice and the desirability of ensuring that Ceylon does not run short of these essential goods has made the matter one of immediate importance. In Bengal, where jute acreage has been drastically reduced in order to regulate prices and prevent an undue accumulation of raw jute stocks, efforts are being made to encourage the cultivation of rice on the land thus made available. In the North West Frontier Province steps are being taken to stimulate the cultivation of soya beans, gram, lentils, etc. Several of the provinces have in the meantime placed an embargo on exports of various basic foodstuffs.

### Second Wheat Forecast, 1941-42

The *Indian Trade Journal* of April 2 carries details of the second forecast of India's 1941-42 wheat crop. The area sown to wheat is less by 920,000 acres than in 1940-41 and is estimated at 32,444,000 acres. The largest decreases are shown for the United Provinces, Central Provinces, Central Indian States, and Gwalior as compared with substantial increases in the Punjab and North West Frontier Province. No estimates of the volume of the crop are provided except in the form of percentage estimates of normal outturn. These indicate that the crops in the principal producing areas should approximate closely last year's, due allowance being made for fluctuations in acreages sown.

## FOREIGN TRADE OF CEYLON IN 1941

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian.)

Bombay, April 2, 1942.—Ceylon's foreign trade during the calendar year 1941 reached a total value of Rs.698,801,584. This represented an increase of Rs.29,363,999 over the previous year's total of Rs.669,437,585. Imports remained practically stationary at Rs.282,394,708, this figure being only Rs.200,521 below that for 1940. Exports, however, increased by Rs.29,564,520 to Rs.416,406,876.

The following table shows the values of import and export trade during the calendar years 1939, 1940, and 1941.

*Summary of the Foreign Trade of Ceylon*

	Imports Rupees	Exports Rupees	Total Trade Rupees
1939 . . . . .	242,369,560	328,106,229	570,475,789
1940 . . . . .	282,595,229	386,842,356	669,437,585
1941 . . . . .	282,394,708	416,406,876	698,801,584

## BALANCE OF TRADE

Improved prices obtained for Ceylon's principal exports resulted in a considerable increase in the colony's traditional favourable trade balance. The already large figure of Rs.104,247,127 recorded for 1940 improved in 1941 to Rs.134,012,168. At this level it was only slightly less than 50 per cent of total import values and more than 50 per cent higher than in 1939.

## TRADE BY COUNTRIES

No data are available regarding Ceylon's foreign trade in 1941 by countries of origin or destination. It may be safely assumed, however, that all import and export business was concerned to an increasing extent with Empire countries and the United States.

## TRADE BY COMMODITIES

There is comparatively little information available regarding Ceylon's import trade during 1940 under commodity headings. Imports of food, drink, and tobacco showed a general increase, due in part to improved purchases of grain, flour, sugar, and miscellaneous articles covered by this classification. In the case of raw materials and manufactured products, increases of more than ordinary importance were recorded for cotton yarn and piece-goods, chemicals, drugs, dyes, earthenware, glass, and raw rubber. The most important decreases in import values were in motor vehicles, silk and silk manufactures, paper and cardboard, tea chests, electric equipment, soap, cutlery, hardware, and implements.

With regard to exports, tea, as usual, accounted for a large proportion of total values. The volume of business was slightly below that in 1940 but, with prices at 162.3 per cent of the 1934-38 average, the value of the trade showed an appreciable increase over that of the previous year. Rubber exports reached a record volume, and prices were slightly higher than in 1940. The trade in coconut products was again unsatisfactory, the volume index showing a slight improvement over the 1940 figure, while prices also improved, but shipments, as for several past years, were far below the industry's productive capacity. Exports of spices, essential oils, papain, and other miscellaneous goods showed a moderate increase in volume, while the price index for these commodities showed a marked improvement.

## TRADE WITH CANADA

Canadian trade with Ceylon was characterized during 1941 by a marked decline in the Colony's imports of Canadian products and a reasonable maintenance of exports of tea, rubber, and coconut products to the Dominion. Canadian statistics of the value of trade between the two countries for the calendar year 1941 show that exports to Ceylon reached a value of \$340,564, while imports of Ceylon products were valued at \$6,063,998. The great disparity between the two figures is typical of Canadian-Ceylon trade, but it has been accentuated during the past two years by the incidence of import and exchange regulations under which Canadian goods have been classified along with those of non-Empire countries. Never a trade of any appreciable extent or variety, Canadian exports to Ceylon now comprise little more than newsprint paper and a few other articles which are readily available for export and which cannot be obtained from sterling sources.

## ECONOMIC AND FINANCIAL CONDITIONS IN EGYPT

The address by the President of the Board at the annual meeting of the National Bank of Egypt, held on March 18, included an authoritative review of the economic and financial situation in Egypt, of which the following is a summary:—

Up to the time of Italy's entry into the war, Egypt remained comparatively immune, but since then conditions enforced by the war have brought about marked changes in the tenor of every-day life. In 1941 the ever-increasing influence of the world conflict was felt as never before. The opening of the Red Sea to American shipping was of material benefit, not only in meeting allied military requirements but also in providing supplies for civilian consumption in Egypt and adjacent countries.

### AGRICULTURE

The curtailment of imports emphasized Egypt's dependence upon foreign sources of supply for chemical fertilizers essential to its agricultural economy. This experience, moreover, will not be without benefit, if experiments in the use of organic substitutes are thereby encouraged and the problems of soil exhaustion are given the study which they deserve.

### COTTON

The British Government purchased three-fourths of the 1940-41 cotton crop and have again agreed to participate with the Egyptian Government in the joint purchase to the extent of 50 per cent of any cotton of the 1941-42 crop that may be offered for sale. In this way Egypt is again spared economic distress, but the artificial nature of such transactions is apparent. Large quantities of cotton grown in Egypt during the past two seasons have not yet gone into consumption and will have to be absorbed before anything like peacetime market conditions can be restored.

### CEREALS

The restriction of the cotton acreage was also made imperative by the shortage in the quantity of home-grown cereals required for local consumption and by the need for encouraging the cultivation of foodstuffs. Unfavourable weather conditions and the reduced use of fertilizers brought about a sharp fall in the yield of most cereal crops during the past season. In view of the fact that in the early months of the year there was a surplus from the previous year's cereals crop, it seems essential that a longer view should be taken in economic planning for agriculture and that more accurate crop-progress reporting arrangements be organized.

### DANGERS OF PRICE CONTROL

The working of the price-control measures designed to prevent a serious rise in the cost of living, particularly as regards the prime necessities of life for the poorer classes, has dislocated by the withholding of supplies, and the shortage in the markets has thereby been rendered more acute. This is not to say that price control may not be of use as part of a general policy, but in a fertile and self-sufficient grain-producing country price control ought to be unnecessary as far as staple foodstuffs are concerned if exports are forbidden. There is a pressing need for the reduction in the personal consumption of all but the poorer classes, and the conditions of poverty and starvation prevailing in countries with which Egypt has close ties make it imperative to condemn all forms of extravagance and accept some sacrifice in the general standard of living.



### GOVERNMENT FINANCES

Once again the state finances have been maintained in a very satisfactory condition. Revenue from direct taxes, customs and excise have shown a marked increase, and state railway receipts are also considerably higher than last year. Expenditure, on the other hand, has been subject to close control, and in many cases has been reduced.

The influx of capital into Egypt as a result of the British Government's purchases of cotton during the past two seasons and the local expenditure of the allied armed forces have created a considerable degree of prosperity in various branches of industry and commerce. The extent of this prosperity may be gauged by the profits of the leading manufacturing concerns, which have in many cases more than doubled since the outbreak of war despite a considerable increase in running expenses.

Stock Exchange activity has also given convincing evidence of the improvement in the profit-earning capacity of local industry. Quotations have advanced sharply in recent months and, although speculative influences have contributed to the appreciation in values, there is no doubt that the majority of manufacturing concerns are operating under extremely favourable conditions.

### BANKNOTES IN CIRCULATION

Banknote circulation rose considerably during the year. This trend is evident in many parts of the world, and doubt has been expressed whether this is not a sign of inflation.

The increase in circulation in Egypt is due neither to issues to meet the needs of the Treasury nor to abuses of bank credit; it arises chiefly from the presence in the country of a large allied army and from the increasing needs of industry and commerce, which are working much more actively than in former years, as well as from a certain amount of hoarding for the purpose of meeting unforeseen needs. It is noteworthy that the increase in banknote circulation, apart from seasonal fluctuations, was not marked in the early months of last year when military reverses caused apprehension.

### CONTROL OF FOREIGN EXCHANGE

The system of control over foreign exchange transactions has remained in operation during the year with various modifications and, as the regulations have become better understood, traders and the public generally have shown an increasing appreciation of the need for the restrictions.

The institution of exchange control by the Government in the early days of the war not only ensured the maintenance of the vital link with the sterling bloc but has since enabled Egypt to obtain dollars and other foreign currencies to an extent that would not have otherwise been possible in the ordinary course of wartime trade.

The extension of the sterling area by the admission of Syria and Iraq has removed many difficulties, and a welcome increase in trade with these countries is confidently expected.

## CANNED FOODS SUPPLY POSITION IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, June 5, 1942.—Supplies of canned fruits, vegetables and fish in the hands of packers in the United States are reported to be exceptionally low. Remaining stocks of canned fruits will be little more than adequate to meet requirements. Except for odds and ends, it was estimated that there would be practically no canned vegetables available at the end of May. The more important canned fish items have been virtually unobtainable since early spring, with new production for the most part earmarked for the Government.

Wholesalers are carrying heavier inventories than a year ago, and this accounts in part for the smaller supplies in the hands of packers. The largest increase in distributors' holdings is recorded for canned fruits, which continue about 42 per cent above those of last year. Vegetables are not more than 10 per cent higher, and canned salmon 7 to 8 per cent higher.

Although it is too early fully to appraise the situation, retail trade is expected to be influenced by the application of retail price ceilings which went into effect on May 18. As prices were adjusted to the March level, price-conscious consumers bought more readily. Such gains as are recorded will, of course, be in tonnage rather than in dollar sales, the reverse of retail trends up to the establishment of price control.

Although movement of canned foods into consuming channels may be expected to fall off with the coming of warmer weather and the arrival of more fresh fruits and other produce from the South, many wholesalers and retailers believe the percentage decline this year will be smaller than normal, because fresh fruits and vegetables are not affected by price ceilings and may be proportionately higher than canned foods. Other distributors feel that fresh fruits and vegetables will be more vigorously pushed than usual for that reason and because they yield somewhere in the neighbourhood of a 35 per cent profit. For this reason they may be used by aggressive retailers to reduce losses or make up for reductions on price-frozen items.

#### GOVERNMENT PURCHASES

On May 26 the War Production Board ordered fish canners to set aside for the Government their entire 1942 pack of salmon, pilchards, sardines, Atlantic herring and mackerel, with the exception of sales already made in advance of the canning season. This will mean that, of the estimated salmon pack of 5,400,000 cases, some 2,500,000 cases are to be allotted for the use of the armed forces and for lend-lease. Purchases for the latter purpose will also account for from 50 to 66 per cent of this season's pack of sardines, Atlantic herring and mackerel, probably leaving the balance for civilian consumption. None of these three varieties will be earmarked for the armed forces provided there is an adequate supply of canned salmon.

A similar order issued a short time ago required canners to set aside for the Government certain percentages of their 1942 pack of fruits and vegetables. The percentages vary for each class of goods, and range from 15 to as high as 100 per cent.

#### WARTIME PRICE REGULATIONS

The vegetable-canning industry has been told that it may mark up its 1942 pack prices to 8 per cent above the weighted average quoted on each item during the 60-day period following the opening of the canning season last year. In addition canners may also add to their prices the actual increases in costs occasioned by higher prices paid for raw materials. The total increase has been estimated at about 15 per cent above the 1941 prices. Consequently, effective May 25, maximum prices were fixed at the canners' level for thirty-five canned vegetables, while wholesale and retail prices remain under the general price ceilings based on the March level. It was stated, however, that wholesale prices might be revised if necessary to prevent undue pressure on the retail price structure. Simultaneously the Office of Price Administration announced that the Government would put a floor under the prices of the ten most important vegetables, guaranteeing canners 92 per cent of the ceiling price. This would be done, if necessary, through Agriculture Department purchasing.

The ten products given both a ceiling and a floor are: asparagus, lima beans, snap beans, beets, sweet corn, carrots, peas, spinach, tomatoes and tomato juice. The other twenty-five covered by maximum price controls only are:



artichokes, baby foods, bamboo sprouts, bean sprouts, carrots, peas, celery, chile sauce, hominy, okra, okra with tomatoes, onions, parsnips, peppers, pickles, rhubarb, succotash, tomato catsup, tomato paste, tomato puree, tomato sauce, turnips, vegetable greens, mixed vegetables, vegetable juices (except sauerkraut juice), and mixed vegetable juices. The price-support program also covers two canned vegetables, pumpkin and squash, which are not covered by the order because increased raw material costs for these vegetables cannot yet be determined. These, like all other vegetables not specifically named, are still regulated by the March levels.

The formula for canned fruits is expected to be released very shortly, but trade circles believe that it will not differ materially from that for canned vegetables.

#### OUTLOOK FOR SUPPLIES

Supply prospects for the coming year are quite good in all but canned fish. It is considered likely that shortages of salmon, tuna and sardines will continue as far as the civilian trade is concerned. Fruit crops, however, in general, are doing well and, while vegetables have been retarded in some sections by dry and in others by cool weather, no serious damage has yet resulted. Acreages are up sharply, except for some few vegetables restricted by the tin conservation order.

### ECONOMIC AND INDUSTRIAL DEVELOPMENT IN ARGENTINA

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

#### VIII. Representation in the Market

The Argentine market is sufficiently extensive to be of interest to all countries that export products salable therein. Hence it has always been one of the most competitive of world export markets. Until the selective system of import control was introduced in 1933, all exporting countries competed on an equal basis. Argentina is therefore essentially a buyer's market, and the Canadian exporter must expect to have to go as far as his competitors in other countries toward meeting the wishes of the local buyer or consumer as to quality, service, prices and terms of payment. This means that he must show initiative and cultivate his customers, or prospective customers, through his local representative. Few commodities can be sold on a "take it or leave it" basis in Argentina.

On account of the extensive development of domestic manufacturing industries during the past ten years, Argentina has become largely a market for commodities required by the local producer rather than for products going directly into consumption by the retail purchaser. Basic raw materials, fuel, industrial machinery and products needed for further processing now comprise the larger proportion of goods imported into Argentina. The range of salable finished goods that do not require further production effort, or at least some local assembly work, in Argentina is becoming more and more limited each year. This necessitates the maintenance of closer relations between the exporter and his customers in Argentina and a more intimate knowledge on his part of local conditions.

#### TYPE OF REPRESENTATIVE REQUIRED

The type of representation or the class of selling organization required by a firm exporting to Argentina depends of course on the product that is offered. Basic commodities, such as lumber, seed potatoes or apples, that conform to grades, are already known and accepted on this market and can be offered to importers through a local broker or straight commission agent. These com-



modities are generally sold on the basis of cash before shipment, so that price is the controlling factor and the exporter does not require an extensive knowledge of the market. On the other hand, if the exporter has to accept financial risks, he must have great confidence in the judgment of his representative, based on personal knowledge; or, if his agent has been appointed sole distributor, in both the judgment of his representative and in his financial competence. These are, however, the simpler forms of representation, the requisites for which are the same in all export markets.

Apart from requirements in the case of these basic commodities, the tendency has been towards direct sales representation in Argentina. Before the Great War of 1914-18, trade with Argentina was largely carried on through export merchant houses in London, Liverpool or Manchester, Continental European export firms in Hamburg and elsewhere, or through similar houses in New York and San Francisco. In Argentina the import trade was handled by a comparatively small number of large British merchant firms that had been long established in the country. There were also several large German, French and other Continental European firms, but they were mostly in the hardware and machinery trade. The large general wholesale merchants were mostly British. During the period of the last war Argentina had to turn from the United Kingdom and Europe to North America for a large part of her requirements in imported goods. The North American firms found that the old established import houses were either not adequately equipped or were reluctant to give proper attention to the distribution of their products. The result was that many of these firms opened their own branch houses in Buenos Aires. The local merchants, apart from those handling staple lines such as lumber, textiles and paper, were either forced out of business or were made exclusive agents, and so in effect were converted into branches of one or more large foreign manufacturers. This was particularly true of the manufacturers of automobiles, farm implements, electrical goods, and drugs or pharmaceuticals.

#### FACTORS AFFECTING DISTRIBUTION

This trend towards direct control of the distribution of their products in Argentina by the large foreign, and particularly the large North American, manufacturers was continued after 1919, and tended to accentuate still further the division of the local import and distribution channels according to the national character of the firms. The branch houses of American manufacturers naturally confined themselves to American export goods. In many cases the local merchants having exclusive selling arrangements with American manufacturers were obliged to deal in American goods only. The British firms tended to give preference to United Kingdom goods, prices being equal. The large German hardware, machinery, drug, and contracting firms favoured goods from Germany. This also applied to the local French merchants and, to a lesser extent, to those of Italian origin. The entire local distribution system tended to divide on the basis of national origin.

It was only in staples, where price was the principal selling factor, that other countries were afforded any worthwhile opportunity to sell in this market. The price factor provided an opening for Japan. There are few important merchant firms in Argentina that have not some ties, real or sentimental, arising from the national origin of their principals. The selective system of import control exercised by the Argentine Government forced importing firms to ignore their national ties to some extent, but this system did not favour North American firms, since the preference was extended largely to the sterling area and to compensation-agreement countries.

As a market Argentina is large enough to justify a high degree of specialization among importing and distributing firms, and the majority of the large

merchant firms specialize in particular commodities such as lumber, paper, hardware, machinery, steel and piping, drugs and pharmaceutical goods, etc. There are practically no general merchant firms such as are found in smaller markets. Further, 85 per cent of all the imports into Argentina enter at Buenos Aires, and probably 95 per cent of all imports is redistributed from that centre.

Another important factor affecting import trade is the influence of foreign capital investment interests in Argentina on the origin of imports. The British-owned railways favoured goods from the United Kingdom, and this principle applies in the case of all other foreign investment interests. It may be assumed that the country of origin of the capital is afforded the first opportunity to obtain available business.

The other important factor in import trade in Argentina is the purchases made by state-owned enterprises, such as the state railway, oil company and meat-packing plants, and the government departments. Generally these organizations buy imported goods on the basis of bids submitted by local merchant firms or branch houses on behalf of foreign manufacturers. In this way the official body has the guarantee of a responsible local firm in respect of quality and delivery. Since, as previously pointed out, most of these firms have ties based on their national origin, this is a factor in determining the origin of the goods purchased under this system.

Argentina is therefore not only a very competitive market, but the set-up of the existing distribution channels is such that the exporter, unless, as mentioned above, strictly staple goods are being offered, must be able to supply a product that is equal to the best offered by his competitors or the inferior quality of his product must be offset by better service. This means that the exporter must acquire a first-hand knowledge of the market, and it is most important that he select the right man to visit the market in his interests.

#### QUALIFICATION OF A SUITABLE REPRESENTATIVE

The first requisite of a good agent is that he have personality; the second is that he have the confidence of his firm and so is able to discuss problems peculiar to this market with some authority. If the product to be offered is such that highly technical knowledge is required to establish it on the market, this naturally must be considered in the selection of a representative, but even this is secondary to the two first-mentioned requisites. Other qualifications to be considered in selecting an agent is that he be a good salesman in the narrower sense or can speak Spanish or has some knowledge of that language. The latter qualification is by far the least important in making a selection; personality and good judgment are needed to create a favourable impression.

Undue emphasis is frequently placed on the importance of cultivating close personal contacts in Argentina and other South American countries, or rather there are misunderstandings as to exactly what is meant by cultivating personal contacts. Argentina is essentially a price market. A product that has a good appearance and is the latest in design or performance will be accorded preference by the buyer as against a more durable product at a higher price. The average Argentinian does not expect an article to last a lifetime; it has no particular appeal on that basis. The Argentine buyer is loyal to his personal friends in business, so the exporter should choose a representative who has good connections. This applies in any market, but it is particularly important in Argentina. If the exporter is represented by an efficient agent, he does not have to concern himself with the local consumers of his product, whether private individuals or official organizations.



## MARKET CONDITIONS FOR PINE TAR IN ECUADOR, PERU, BOLIVIA AND CHILE

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, May 8, 1942.—The results of a recently completed survey of the possibilities for the sale of Canadian pine tar in Ecuador, Peru, Bolivia and Chile, indicate that there is only a small market at the present time. Imports are relatively small, and considerable difficulty has been encountered by traders in disposing of these quantities. Little interest was therefore evinced by dealers. A summary of market conditions by countries is appended:—

### Ecuador

(One metric ton equals 2,205 pounds)

According to preliminary returns obtained from the Customs House at Guayaquil, total arrivals of tar at that port in 1939 amounted to 44.5 metric tons and in 1940 to 62.5 tons. Imports of pitch through Guayaquil were 123 tons in 1939 and 90 tons in 1940. Types are not specified, but these were probably mineral tar and pitch. These shipments were from Chile and, according to the trade, most of them were brought into Ecuador by one of the coastal Chilean steamship lines for use on their own vessels. No official trade statistics for the whole country have been issued since 1933 but, as Guayaquil is the chief port of entry, these figures may be considered a fair estimation of the Ecuadorean market.

Many years ago, when the majority of houses were built of wood, it was customary to paint the foundations with tar to prevent rot and damage from insects. This practice has ceased to some extent, as most of the houses are now constructed of cement and brick or of cement and stone. One importing firm states that four drums of tar were not entirely disposed of for four years. On the other hand, there is a small demand for pine tar for pharmaceutical use, but imports are not on a large scale.

### Peru

(One Peruvian sol equals 17.1 cents Canadian; one kilo equals 2.2 pounds.)

There is apparently little opportunity for the sale of pine tar in Peru. Imports are small, and substitute materials appear to be giving satisfactory results. In 1940 a total of 50 tons of tar, valued at 9,175 soles, was brought into the country for use on ships, and less than 2 tons of vegetable tar, valued at 856 soles, the latter being most likely pine tar. In addition 458 pounds of refined tar, valued at 1,890 soles, were imported. The total value of arrivals of tar, therefore, amounted to 11,921 soles, or approximately \$2,038 for all Peru in 1940. Particulars of these imports by supplying countries in that year, with comparative figures for 1939, are as follows:—

#### *Peruvian Imports of Tar in 1939 and 1940*

	1939	1940	1939	1940
	Kilos	Kilos	Soles	Soles
Tar oils, for ships or industrial purposes:				
Germany.....	236	....	337	....
Chile.....	56,040	18,650	3,393	3,925
United States .....	9,068	1,485	3,041	654
Great Britain .....	29,388	29,784	3,808	4,596
Total .....	94,732	49,919	10,579	9,175
Vegetable tar, unrefined for industrial purposes:				
United States .....	423	1,399	297	730
Great Britain.....	8,601	495	1,439	126
Holland .....	446	....	147	....
Poland .....	1,122	....	280	....
Sweden .....	1,294	....	220	....
Total .....	11,886	1,894	2,383	856
Tars, mineral and vegetable, refined:				
Germany.....	5	....	5	....
United States .....	1	17	10	221
France .....	324	131	2,895	1,615
Italy .....	....	60	....	54
Total .....	330	208	2,910	1,890



Because of the high prices formerly obtaining for pine tar, other materials were used, and there appears to be little interest on the part of consumers in making any change. The railways, for example, use bunker oil for treating ties, having long ago been convinced that this material was much less expensive. For other general purposes mineral tar has been used, as it has been found that this can be purchased more cheaply, and for certain miscellaneous purposes Trinidad asphalt has been substituted for pine tar.

### Bolivia

(One Boliviano equals 36 cents Canadian; one metric ton equals 2,205 pounds; one kilo equals 2·2 pounds.)

In trade circles it is stated that there is little demand in Bolivia for pine tar, and that dealers are not interested in importing this commodity. Some interest was expressed in pine oil, which is used as a flotation reagent in a number of mines. Pharmaceutically pine tar has been used in small quantities against epidemics on cattle farms.

Pine tar is not shown separately in the Bolivian statistics. The latest available returns are for 1939, in which vegetable tar is included under a general heading as follows:—

#### *Bolivian Imports of Tar and Unrefined Vegetable Oils in 1939*

	Kilos	Bolivianos
United Kingdom .. . . .	226,583	49,470
India .. . . .	202,956	40,049
Chile .. . . .	141,915	24,591
United States .. . . .	39,009	12,747
Holland .. . . .	36,734	10,718
Germany .. . . .	21,039	8,680
Argentina .. . . .	17,983	8,701
Italy .. . . .	3,153	6,028
Belgium .. . . .	1,352	550
Brazil .. . . .	210	148
France .. . . .	42	57
Peru .. . . .	13	6
Total .. . . .	690,989	161,745

The foregoing table shows that in 1939 total imports under this heading approximated 691 metric tons valued at almost 162,000 gold bolivianos, which at that time equalled roughly \$58,000. It is doubtful, however, whether pine tar accounted for more than a fraction of these arrivals.

Mineral tar imports are recorded under the heading "mineral tar and pitch, bitumen and asphalt", the total brought into Bolivia in 1939 being 57·5 tons valued at approximately \$2,432.

### Chile

(One peso equals 12 cents Canadian, one metric ton equals 2,205 pounds; one kilo equals 2·2 pounds.)

The most recent statistics published are for 1939, in which year imports into Chile of tar of various types were as follows:—

#### *Chilean Imports of Tar*

	Kilos	Pesos
Medicinal tar, vegetable, purified—		
Germany .. . . .	149	178
Medicinal tar compounded, such as Guyot's and other manufacturers'—		
Germany .. . . .	7	90
France .. . . .	1,060	346
Total .. . . .	1,067	436

*Chilean Imports of Tar—Con.*

Mineral tar or pitch, even emulsified—	Kilos	Pesos
Germany . . . . .	16,738	6,580
Argentina . . . . .	20	20
United States . . . . .	600,787	91,737
Great Britain . . . . .	1,437	731
Holland . . . . .	368,743	40,981
Norway . . . . .	64,650	14,529
Sweden . . . . .	1,445	1,394
Total . . . . .	1,053,820	155,972
Mineral tar and natural asphalt, with oil—		
Germany . . . . .	1,778	2,440
United States . . . . .	53,734	8,956
Great Britain . . . . .	2,152	582
Holland . . . . .	421,399	59,855
Total . . . . .	479,063	71,833
Vegetable tar or pitch—		
Germany . . . . .	670	475
United States . . . . .	445	189
Great Britain . . . . .	2,723	1,165
Sweden . . . . .	22,653	8,441
Total . . . . .	26,491	10,270

Chile also exports tar and pitch. Shipments in 1939 were mainly to Peru and Ecuador (although 2 tons of vegetable tar were forwarded to Colombia) and were as follows:—

*Chilean Exports of Tar and Pitch in 1939*

	M. Tons	Pesos
Mineral tar . . . . .	75	12,408
Mineral pitch . . . . .	164	24,979
Tar, containing a small quantity of heavy mineral oil . . . . .	13	1,964
Pitch, containing a small quantity of heavy mineral oil . . . . .	32	2,549
Vegetable tar . . . . .	2	339

The leading Chilean firms are not interested in Canadian pine tar, one of the reasons being that imports into that territory have lately been reduced owing to the establishment of a factory in the south of Chile for the manufacture of tar and other vegetable substances.

A Scandinavian firm which has for years brought in pine tar from Sweden states that, although they have obtained an American agency, they have been unable to import, as the Chilean Exchange Control Commission refuses to grant permits on the grounds that this product is now produced in the country. Apparently there is no market for Canadian pine tar in Chile at present.

## SUMMARY

From the above review, it is apparent that there is little opportunity for the sale of Canadian pine tar in the countries within the territory of the Lima office. Notwithstanding, if Dominion exporters wish to forward particulars, including prices (preferably c.i.f. West Coast South American Pacific ports) and samples, these will be gladly submitted to the trade and additional information will be supplied.

**TRADING WITH THE ENEMY (CONSOLIDATED LIST OF SPECIFIED PERSONS): A CORRECTION**

With reference to the notice published in *Commercial Intelligence Journal* No. 2002 (June 13, 1942), page 640, regarding the recent issue of a third consolidation of the Canadian List of Specified Persons, it was erroneously stated that copies of this list may be obtained from the Distribution Office, Government Printing Bureau, Ottawa, at a price of 10 cents each.

Owing to the increased size of the latest edition of this publication, the price has been advanced to 25 cents for single copies, with a reduction on orders for 100 copies or more.

## CONTROL OF EXPORTS FROM CANADA: REGULATIONS AMENDED

By Export Permit Branch Order No. 38, effective June 30, 1942, Export Permit Regulation (7 (b) is amended to read as follows: "Export permits shall not be required for shipments of \$100 or less in value to Newfoundland, except in respect of tea, coffee, rubber and rubber products, and except in respect of sugar, as provided in Regulation 30."

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### SUSPENSION OF DUTIES ON CARDBOARD DISCS, JUTE GOODS AND ANIMAL-DRAWN VEHICLES

An Order of the Government of Eire suspended from April 25, 1942, to October 24, 1942, the import duty of 1d. per 100 on shipments from all countries of discs of cardboard, pasteboard, strawboard, millboard, or similar material for bottles and jars.

The suspension of duties on certain jute goods to April 30, 1942, was extended to October 31, 1942. These duties were: jute bacon wrappers, 33 $\frac{1}{3}$  per cent ad valorem when from the United Kingdom or Canada and 50 per cent from other countries; undyed jute, 15 per cent ad valorem when from British Empire countries and 22 $\frac{1}{2}$  per cent ad valorem when from other countries; empty sacks and bags of jute, 50 per cent ad valorem or 2 pence per sack, whichever is greater, when imported from any country; some jute piece-goods weighing over 4 $\frac{1}{2}$  ounces per square yard, 50 per cent ad valorem.

Duties on animal-drawn vehicles and parts, which had been removed during the greater part of 1941 but restored on December 17, were again withdrawn on May 6, 1942, to remain suspended until November 5, 1942. This was done, Mr. E. L. McColl, Canadian Trade Commissioner, reports, to assist transport which has suffered severely through the recent prohibition of private motoring in that country. The vehicles were formerly dutiable at 50 per cent ad valorem or £10, whichever is greater, when imported from British Empire countries and at 75 per cent ad valorem or £15, whichever is greater, when from other countries. The parts were dutiable at 50 per cent ad valorem when from British Empire countries and at 75 per cent when from other countries.

### El Salvador

#### REGULATIONS AFFECTING INVOICES AND RELATED DOCUMENTS

Shipments to El Salvador by freight require to be accompanied by eight copies of the consular invoice, on forms obtainable at Salvadorean consulates, and four copies each of the commercial invoice, certificate of origin and bill of lading. Parcel-post and air shipments require commercial invoices and, for parcel-post shipments valued at U.S.\$50 or more or air shipments at U.S.\$100 or more, certificates of origin. The documents must be presented for legalization to the nearest consul of El Salvador in the country where the documents are prepared. There are special requirements for animals for breeding purposes, plants, fruits, vegetables, flour and fertilizers. Particulars of the requirements to be met in drawing up the foregoing documents are contained in a leaflet which has just been issued, copies of which may be obtained by interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa.



## Barbados

## BUTTERFAT CONTENT OF CONDENSED MILK REDUCED

A Barbados Customs Tariff Amendment Act of April 18, 1942, reduces from 9 to 8 per cent the minimum percentage of butterfat required in condensed or otherwise preserved milk to be admitted free of duty under the preferential tariff and at 2 shillings per 48 pounds under the general tariff. When the butterfat is less than 8 per cent, the rates are 10s. per 48 pounds preferential tariff and 20s. general tariff. The British preferential tariff applies to Canada, and the general tariff to countries outside the British Empire.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 22, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 22, 1942, and for the week ending Monday, June 15, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 15	Nominal Quotations in Montreal Week ending June 22	Official Bank Rate
Great Britain . . . . .	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2282	.2283	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2611	.2612	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0571	.0571	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6334	.6325	4
Venezuela . . . . .	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3324	.3324	—
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5854	.5854	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

**C. H. PAYNE, Director**

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## Argentina

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## Australia

**Sydney**: **L. M. COSGRAVE**. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

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## Chile

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## Mexico

Acting Trade Commissioner. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

### Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* H. L. BROWN, Acting Trade Commissioner. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* J. C. BRITTON, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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